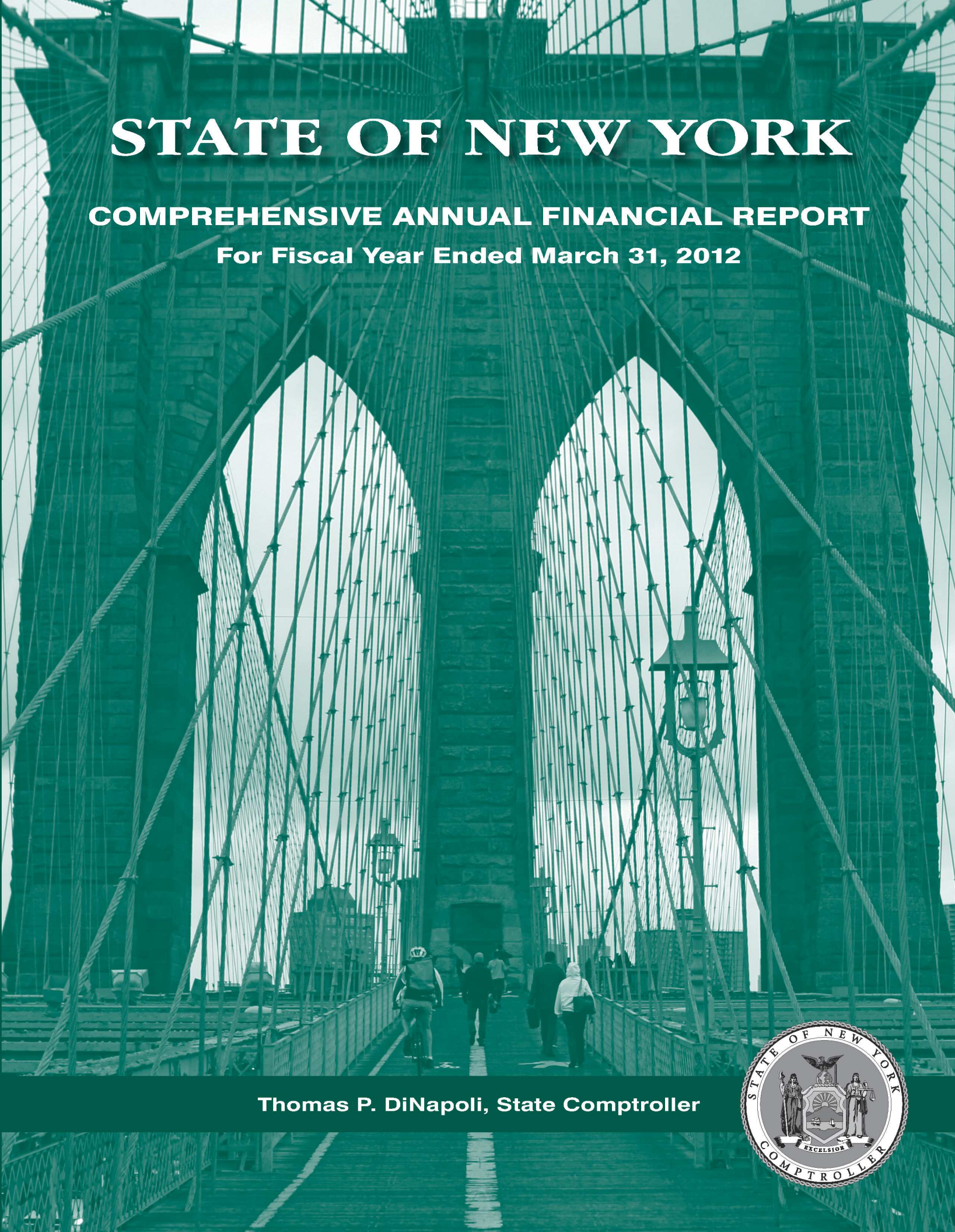

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended March 31, 2012

Thomas P. DiNapoli, State Comptroller

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
March 31, 2012

Prepared by the Office of the State Comptroller

Thomas P. DiNapoli

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Introductory Section

THOMAS P. DINAPOLI
State Comptroller

THOMAS P. DiNAPOLI
COMPTROLLER

110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 4, 2012

To the Citizens, Governor and Members of the Legislature of the State of New York:

I hereby present the Comprehensive Annual Financial Report for the State of New York, for the fiscal year ended March 31, 2012.

More than at any time in recent history, New York State has established current and structural budget balance as its primary fiscal goal. The State ended its 2011-12 fiscal year having achieved major reductions in structural budget gaps, even in the face of unexpectedly weak economic conditions. Other indicators of positive changes include the State's cash position, which is significantly improved from a few years ago. These actions provide reason to believe that the State has strengthened its capacity to deal with economic setbacks that may face us during the years ahead.

Still, challenges remain. The State continues to project multi-billion-dollar budget gaps for the 2015 and 2016 fiscal years and a smaller, although not insignificant, gap of $950 million for the upcoming fiscal year. Closing these gaps will require difficult and careful choices regarding spending and/or revenues. We must monitor the long-term economic and social implications of the various actions already taken to balance recent years' budgets.

Comprehensive reforms are needed to ensure New York State continues to make progress in solidifying its fiscal position. For example, I have urged that State policies require the Executive to identify actions to close out-year projected budget gaps; and enact real debt reform to ban backdoor borrowing by public authorities and restore voter control over debt.

New York State is undertaking the most wide-ranging changes in its fiscal and programmatic policies in many years. These changes will continue to drive both budgetary and service impacts. Continued close attention to the implications of New York's new era of fiscal policy will be essential.

Sincerely,

Thomas P. DiNapoli
State Comptroller

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

FINANCIAL OVERVIEW

This report has been prepared by the Office of the State Comptroller, as required by Chapter 405, Laws of 1981, in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, included within this Comprehensive Annual Financial Report rests with the Office of the State Comptroller.

The basic financial statements contained in this report have been audited by KPMG, LLP. Their audit was conducted in accordance with generally accepted governmental auditing standards (GAGAS) and their auditors' report precedes the basic financial statements. An independent audit provides reasonable assurance that the State's basic financial statements for the year ended March 31, 2012 are free of material misstatement. Independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. An audit also includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal controls over financial reporting. Accordingly, the independent auditor expressed no opinion with respect to internal controls over financial reporting. The independent auditor believed that their audit provided a reasonable basis for rendering an unqualified opinion that the State's basic financial statements for the fiscal year ended March 31, 2012 are fairly presented in conformity with GAAP.

The basic financial statements include a narrative introduction, overview, and analysis that is required by GAAP and referred to as Management's Discussion and Analysis (MD&A). This transmittal letter is intended to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the independent auditors' report.

Profile of New York State

New York State was one of the original 13 states, ratifying the United States Constitution and entering the Union on July 26, 1788. The State has a land area of 49,576 square miles and the largest park system (home of the Adirondack Park) in the nation. Geographically, New York State is divided into 62 counties (five of which are boroughs of New York City). Within these counties are 62 cities (including New York City), 932 towns, 555 villages and 697 school districts. The State's major economic sectors are the industrial-commercial, service, and agricultural sectors.

New York's government comprises three branches—executive, legislative and judicial. The executive branch includes the Executive (including 20 State departments), the Department of Audit and Control, and the Department of Law, which are headed respectively by the Governor, Comptroller and Attorney General. With the exception of the departments of Audit and Control and Law, which report to their respective elected officials, the departments of the State report to the Governor. The legislative branch comprises two houses, the Senate with 62 senators and the Assembly with 150 members. Members of the Legislature are elected to two-year terms.

The Chief Judge of the Court of Appeals, which is the highest court of the State, heads the judicial branch. The Governor, with the advice and consent of the Senate, appoints the Chief Judge and six Associate Judges to 14-year terms. In New York State, the courts of original jurisdiction, or trial courts, hear cases in the first instance and the appellate courts hear appeals from the decisions of other courts.

Economic Condition and Outlook

During 2011, the national and state economies experienced mixed performance. While employment growth in New York was stronger than in many other states, not all parts of New York benefitted equally. Between December 2009 (when employment reached its recessionary low) and March 2012, New York regained nearly 94 percent of the jobs lost during the recession (more than twice the share recovered by the nation). Despite the strong employment growth, the unemployment rate remains high. During the recession, the unemployment rate more than doubled for both the State and the nation. New York's unemployment peaked at 8.9 percent in January 2010 and had declined to 8 percent in April 2011, but it then began to rise again as more people reentered the labor market, reaching 8.5 percent as of March 2012. The rate of growth in New York's Gross State Product (which accounts for 7.7 percent of the nation's economy), slowed to 1.1 percent in 2011, much less than the 4.3 percent gain in 2010.

Wall Street, which generates about 14 percent of State tax revenues, got off to a strong start in 2011, with the broker/dealer operations of New York Stock Exchange member firms (the traditional measure of Wall Street's profitability) earning $12.6 billion in the first half of the year, but the firms then lost $4.9 billion in the second half. The full-year profits of $7.7 billion were the lowest level in a decade (except for the years of the financial crisis), and led to a decline in the cash bonuses paid by securities firms to their New York City employees. In addition, a sustained recovery has yet to begin in the housing markets. Home prices in the New York metropolitan area (as measured by the S&P/Case-Shiller Home Price Index) have fallen by nearly 26 percent since their peak in 2006, compared with an average one-third decline nationally. While the foreclosure crisis has been less severe in New York than in many other parts of the nation, the share of mortgages that are at least 90 days delinquent remains at a very high level (9.5 percent during the fourth quarter of 2011). Although the delinquency rate is down from its peak, it is still significantly higher than the prerecession rate of 1.5 percent at the end of 2006.

The Reporting Entity and Its Services

The funds and entities included in this Comprehensive Annual Financial Report are those for which the State is accountable, based on criteria for defining the financial reporting entity prescribed by the GASB. The criteria include: legal standing, fiscal dependency and financial accountability. Based on these criteria, the various funds and entities shown in this report are considered as part of the reporting entity (see Notes 1 and 14 of the Notes to the Basic Financial Statements).

The State provides a range of governmental services in such areas as education, social services, health and environment, criminal justice, transportation, mental hygiene, and housing, among others, and also administers the New York State and Local Retirement System.

Component Units

Component units are discretely presented and reported as public benefit corporations (Corporations), which includes Public Authorities, and are legally separate entities that are not operating departments of the State. Corporations have been established for a variety of purposes such as economic development, capital construction, financing, and public transportation. The powers of the Corporations generally are vested in their governing boards. The Governor, with the approval of the State Senate, appoints a majority of the members of the Board of most major Corporations, and either the Governor or the Board selects the chairperson and chief operating officer. Corporations are not subject to the State constitutional restrictions on the incurrence of debt which apply to the State, and may issue bonds and notes within legislatively authorized amounts.

Corporations submit annual reports on their operations and finances accompanied by an independent auditors' report to the Governor, the Legislature and the State Comptroller. Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses, and in fulfillment of its commitments on moral obligation indebtedness. The Corporations have been presented in the accompanying financial statements as component units of the State. The amounts presented in this report were derived from the Corporations' most recent audited financial statements. At year-end these entities reported net assets of $38 billion. For further information, refer to Note 14 of the Notes to the Basic Financial Statements.

Budgetary and Other Control Systems

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget that contains a complete plan of expenditures for the ensuing fiscal year, and identifies the anticipated revenues sufficient to meet the proposed expenditures. Included in the proposed budget are provisions for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes both cash basis and GAAP basis financial plans for the ensuing fiscal year, as well as a three-year financial projection for governmental funds and a five-year capital plan. The accounting policies used in developing the GAAP basis financial plans are generally consistent with those used in preparing the annual GAAP financial statements. Generally, the financial plans are updated quarterly. The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved. Expenditures are controlled at the major object level (e.g., personal service, grants to local governments) within each program or project of each State agency in accordance with the underlying approved appropriation bills.

In developing the State's accounting system, consideration was given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. The State's internal accounting controls are periodically tested to ensure adherence to internal control policies and procedures.

In 1987 the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act, which commits the State to enhancing existing systems of internal controls in all State governmental entities. As a result, there is now a requirement for managers in all branches and components of government to maintain comprehensive internal control systems and to regularly evaluate the effectiveness and adequacy of these systems by internal reviews and external audits. Finally, the legislation promotes accountability by assuring that all external audits are made available to the public.

General Governmental Results

An operating surplus of $ 137 million is reported in the General Fund for the fiscal year ended March 31, 2012. As a result, the General Fund now has an accumulated fund deficit of $1.9 billion. The State completed its fiscal year ended March 31, 2012 with a combined Governmental Funds operating surplus of $619 million as compared to a combined Governmental Funds operating surplus in the preceding fiscal year of $1.9 billion. The combined operating surplus of $619 million for the fiscal year ended March 31, 2012 included an operating surplus in the General Fund of $137 million, in the Federal Special Revenue Fund of $27 million, and in the Other Governmental Funds of $481 million, offset by an operating deficit in the General Debt Service Fund of $26 million. For further information, refer to the MD&A which immediately follows the independent auditors' report.

The State's financial position as shown in its Governmental Funds Balance Sheet as of March 31, 2012 includes a fund balance of $6.4 billion comprised of $31.2 billion of assets available to liquidate liabilities of $24.8 billion. The Governmental Funds fund balance includes a $1.9 billion accumulated deficit General Fund balance.

Certificate of Achievement

The Office of the State Comptroller was honored for the 23nd consecutive year to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the State's 2011 Comprehensive Annual Financial Report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting, and reflects a commitment by the Office of the State Comptroller to communicate the State's financial results and position clearly to the taxpayers through public disclosure.

Acknowledgments

This report could not have been prepared without the cooperation of all State agencies, the Legislature, and the Judiciary. I especially appreciate the professionalism and dedication demonstrated by my staff in the preparation of this report.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2011

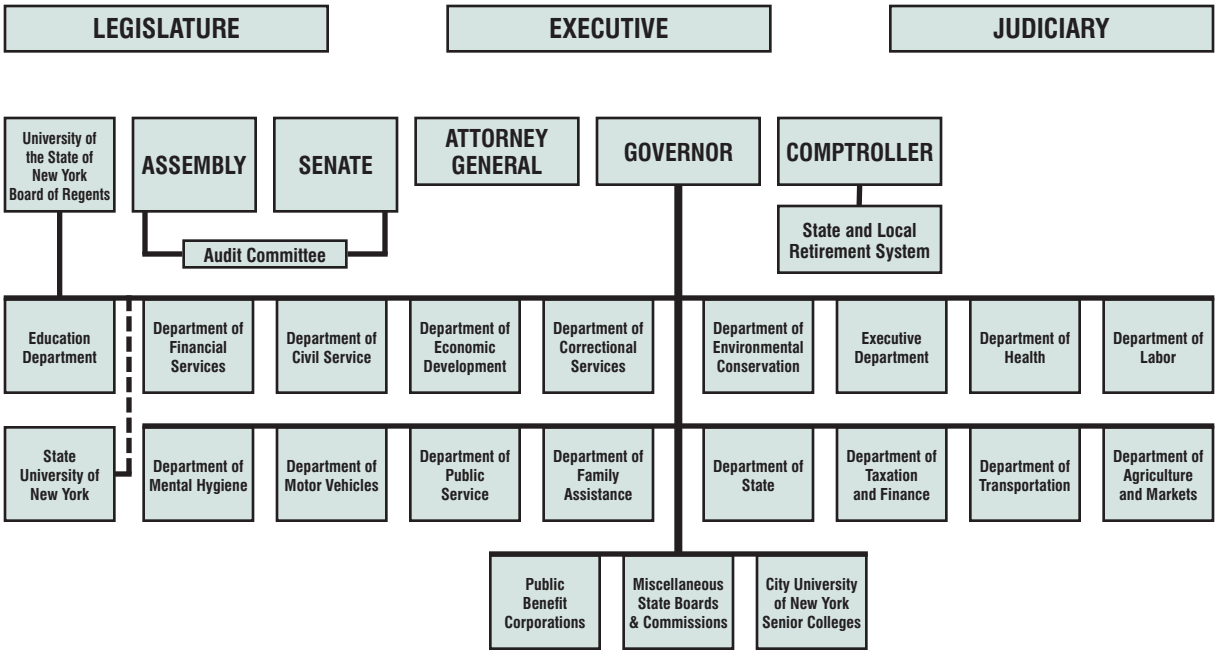
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson

President

Jeffrey R. Esser

Executive Director



STATE OF NEW YORK
Selected State Officials

Executive

Andrew M. Cuomo, Governor • **Robert J. Duffy,** Lieutenant Governor • **Thomas P. DiNapoli,** State Comptroller
Eric T. Schneiderman, Attorney General

Judicial

Jonathan Lippman, Chief Judge of the Court of Appeals of New York

Legislative

Dean G. Skelos, Temporary President of the Senate • **Sheldon Silver,** Speaker of the Assembly
John L. Sampson, Senate Minority Leader • **Brian M. Kolb,** Assembly Minority Leader

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

Financial Section

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Audit Committee
New York State Legislature:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York (the State), as of and for the year ended March 31, 2012, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain discretely presented component units identified in note 14, the Tuition Savings Program or the Port Authority of New York and New Jersey. The certain discretely presented component units represent 50% of the total assets and 65% of the total revenues of the aggregate discretely presented component unit amounts. The Tuition Savings Program represents 7% of the total assets and 6% of the total revenues (including additions) of the aggregate remaining fund information. The Port Authority of New York and New Jersey represents 100% of the information disclosed in note 15. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and, our opinions, insofar as they relate to the amounts and disclosures included for those component units, the Tuition Savings Program and the Port Authority of New York and New Jersey, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Lottery, a major enterprise fund, and of certain discretely presented component units identified in note 14, were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the

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governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York, as of March 31, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2012 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementation information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis and the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The other supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory

section and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

July 23, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

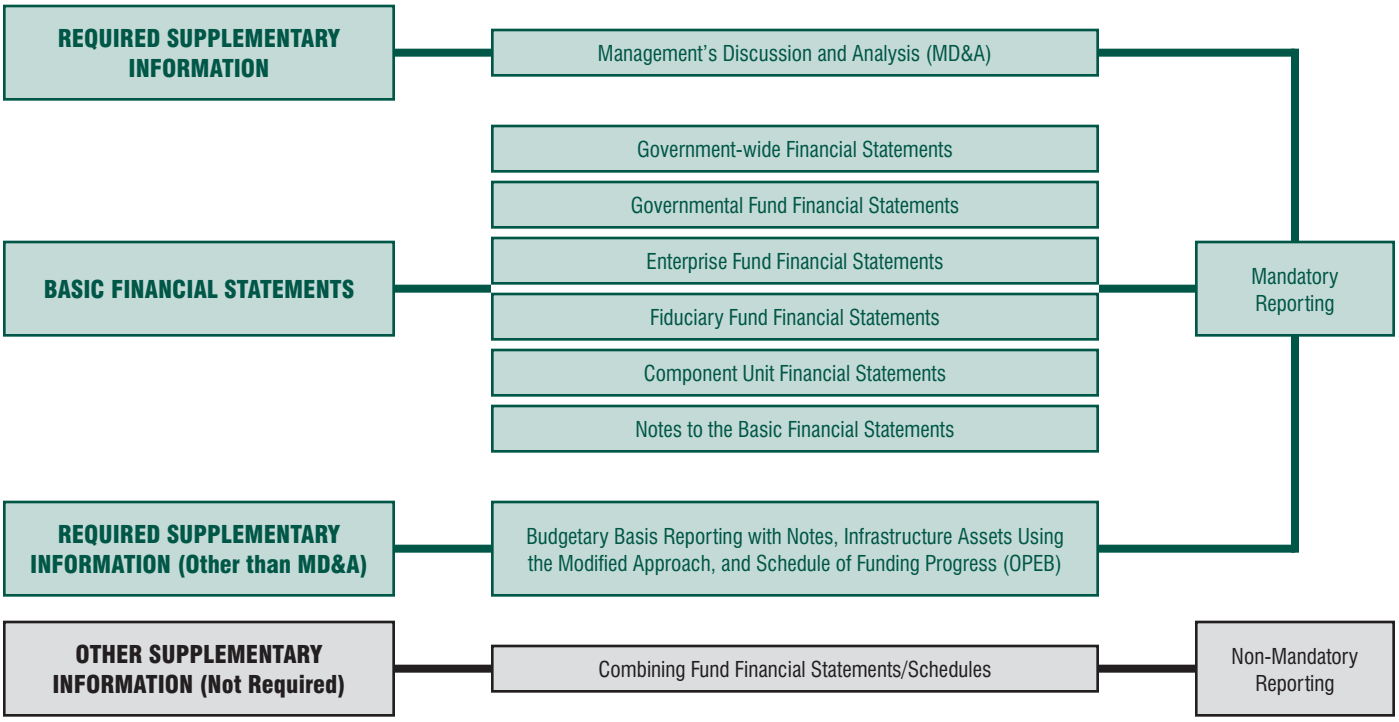
Management's discussion and analysis (MD&A) provides a narrative overview and analysis of the financial activities of the State of New York (State) for the fiscal year ended March 31, 2012. The MD&A is intended to serve as an introduction to the State's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The MD&A is designed to (a) assist the reader in focusing on significant financial matters, (b) provide an overview of the State's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

FINANCIAL HIGHLIGHTS

- New York State reported net assets of $25.7 billion, comprised of $137.1 billion in total assets offset by $111.4 billion in total liabilities (Table 1).
- The State's net assets decreased by $1.4 billion as a result of this year's operations. The net assets for governmental activities decreased by $1.3 billion (4.8 percent) and net assets for business-type activities decreased by $40 million (6.5 percent) (Table 2).
- The State's governmental activities had total revenues of $128.2 billion, which exceeded total expenses of $127.8 billion, excluding transfers to business-type activities of $1.7 billion, by $431 million (Table 2).
- The total cost of all the State's programs, which includes $25.6 billion in business-type activities, was $153.4 billion (Table 2).
- The General Fund reported a surplus this year of $137 million, which decreased the accumulated fund deficit to $1.9 billion.
- The State reported additional Federal funding of $6.8 billion for Medicaid, unemployment benefits, education and other programs from the American Recovery and Reinvestment Act (Federal Stimulus) as of March 31, 2012.
- Total debt outstanding at year-end was $58.1 billion, comprised of $46.2 billion in governmental activities and $11.9 billion in business-type activities (Table 5).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and supplementary information. The Statement of Net Assets and the Statement of Activities (on pages 31 and 32, respectively) provide information about the activities of the State as a whole and present a longer-term view of the State's finances. Fund financial statements start on page 34. For governmental activities, these statements show how services were financed in the short-term, as well as how much may remain for future spending. Fund financial statements also report the State's operations in more detail than the government-wide statements by providing information about the State's most significant funds. The remaining statements provide financial information about activities for which the State acts solely as a trustee for the benefit of those outside the government and about public benefit corporations for which the State is accountable. The layout and relationship of the financial statements and supplementary information is visually illustrated as follows:


REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis (MD&A)
Government-wide Financial Statements
Governmental Fund Financial Statements
BASIC FINANCIAL STATEMENTS
Enterprise Fund Financial Statements
Fiduciary Fund Financial Statements
Component Unit Financial Statements
Notes to the Basic Financial Statements
Mandatory Reporting
REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)
Budgetary Basis Reporting with Notes, Infrastructure Assets Using the Modified Approach, and Schedule of Funding Progress (OPEB)
OTHER SUPPLEMENTARY INFORMATION (Not Required)
Combining Fund Financial Statements/Schedules
Non-Mandatory Reporting

Reporting the State as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the State, as a whole, begins on page 22. One of the most important questions asked about the State's finances is: "Is the State, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the State as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash was received or paid.

These two statements report the State's net assets and changes to them. One can think of the State's net assets—the difference between assets and liabilities—as one way to measure the State's financial health, or financial position. Over time, increases or decreases in the State's net assets are one indicator of whether its financial health is improving or deteriorating. One may need to consider other non-financial factors, such as changes in the State's tax structure, population, employment, and the condition of the State's roads, bridges and buildings, in order to assess the overall health of the State.

In the Statement of Net Assets and the Statement of Activities, operations of the State are divided into three kinds of activities:

- ***Governmental Activities***—Most of the State's basic services are reported here, including education, public health, public welfare, public safety, transportation, environment and recreation, support and regulation of business, general government, and interest on long-term debt. Federal grants, personal income taxes, consumption and use taxes, business and other taxes, transfer of lottery revenues, and bond proceeds finance most of these activities.

- ***Business-type Activities***—The State charges a fee to customers to help it cover all or part of the cost of certain services it provides. The State's Lottery Fund, Unemployment Insurance Benefit Fund, the State University of New York (SUNY) and the City University of New York (CUNY) Senior Colleges are reported here.
- ***Component Units***—The State includes 42 separate legal entities in its report, as disclosed in Notes 1 and 14 of the Notes to the Basic Financial Statements. Although legally separate, these "component units" are important because the State is financially accountable for them and may be affected by their financial well-being. In addition, the State blends two other component units in the governmental activities because they provide services exclusively to the State.

Reporting the State's Most Significant Funds

Fund Financial Statements

Financial statements prepared at the fund level provide additional details about the State's financial position and activities. By definition, funds are accounting entities with a self-balancing set of accounts created for the purpose of carrying on specific activities or achieving specific goals. Information presented in the fund financial statements differs from the information presented in the government-wide statements because the perspective and basis of accounting used to prepare the fund financial statements are different than the perspective and basis of accounting used to prepare the government-wide statements. The State's governmental and proprietary fund types use different perspectives and accounting bases. The funds presented in the fund financial statements are categorized as either major or non-major funds as required by generally accepted accounting principles (GAAP). The State uses three fund types for operations—governmental, proprietary and fiduciary. The analysis of the State's major funds begins on page 24. The fund financial statements begin on page 34 and provide detailed information about the most significant funds, not the State as a whole.

- ***Governmental Funds***—Most of the State's basic services and expenditures are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Assets and liabilities that do not impact current financial resources within 12 months after fiscal year-end, such as capital assets and long-term liabilities, are not recognized in the governmental funds statements. The governmental funds statements provide a detailed short-term view of the State's general government operations and the basic services the State provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. The relationships (or differences) between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds are presented in the reconciliations following the fund financial statements.
- ***Proprietary Funds***—These funds are utilized when the State charges customers to recover its costs of providing services. Proprietary funds report on business-type activities, which include enterprise type funds and internal service type funds. The State has no internal service type funds on a GAAP basis and, therefore, has only one proprietary fund type—Enterprise. The State's enterprise funds are the same as the business-type activities reported in the government-wide statements. Proprietary Funds statements are prepared using the economic resources measurement focus and the accrual basis of accounting. In addition to a Statement of Net Assets and a Statement of Revenues, Expenses and Changes in Fund Net Assets, Proprietary Funds are also required to report a Statement of Cash Flows (page 40).

Reporting the State's Fiduciary Responsibilities

The State is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the State's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 42 and 43, respectively. We exclude these activities from the State's government-wide financial statements because the State cannot use these assets to finance its operations. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Component Units of the State

The State has created numerous public benefit corporations—two of which provide services exclusively to the State government itself, the New York Local Government Assistance Corporation (LGAC) and the Tobacco Settlement Financing Corporation (TSFC), and the rest of which also provide services directly to citizens. The financial position and activities of the LGAC and the TSFC have been blended within the Statement of Net Assets and Statement of Activities in the governmental activities column and in the governmental funds. The financial position and activities of the public benefit corporations that provide services directly to citizens have been presented in the Statement of Net Assets and Statement of Activities under the component units' column and also in more detail in the component units' Combining Statement of Net Assets and component units' Combining Statement of Activities. These component units have been discretely presented in the State's financial statements because their nature and significance to the State cause them to have an effect on the fiscal condition of the State and the State is accountable for them.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental entities are required by GAAP to report on their net asset condition. The Statement of Net Assets presents the value of all of New York State's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of changes in a government's financial position. The State reported net assets of $25.7 billion, comprised of $66.8 billion in capital assets net of related debt, and $4.5 billion in restricted net assets, offset by an unrestricted net assets deficit of $45.6 billion.

Net assets reported for governmental activities decreased by $1.3 billion, decreasing from $27.6 billion to $26.3 billion from last fiscal year. Unrestricted net assets for governmental activities—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—had a deficit of $42.7 billion at March 31, 2012. The following table (Table 1) was derived from the current and prior year government-wide Statements of Net Assets:

Table 1
Net Assets as of March 31, 2012 and 2011
(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Assets and deferred outflows of resources:						
Non-capital assets:						
Cash and investments	$ 9,388	$ 9,570	$ 6,977	$ 5,858	$ 16,365	$ 15,428
Receivables, net	19,314	21,571	4,687	4,447	24,001	26,018
Other	745	933	294	232	1,039	1,165
Total non-capital assets	**29,447**	**32,074**	**11,958**	**10,537**	**41,405**	**42,611**
Capital assets	83,696	82,776	11,746	10,374	95,442	93,150
Total assets	**113,143**	**114,850**	**23,704**	**20,911**	**136,847**	**135,761**
Deferred outflows of resources	146	86	58	69	204	155
Total assets and deferred outflows of resources	**113,289**	**114,936**	**23,762**	**20,980**	**137,051**	**135,916**
Liabilities:						
Liabilities due within one year	26,107	29,153	5,768	5,060	31,875	34,213
Liabilities due in more than one year	60,849	58,135	18,652	16,538	79,501	74,673
Total liabilities	**86,956**	**87,288**	**24,420**	**21,598**	**111,376**	**108,886**
Net assets (deficits):						
Invested in capital assets, net of related debt	65,875	65,118	920	685	66,795	65,803
Restricted	3,151	3,014	1,345	1,108	4,496	4,122
Unrestricted deficits	(42,693)	(40,484)	(2,923)	(2,411)	(45,616)	(42,895)
Total net assets (deficits)	**$ 26,333**	**$ 27,648**	**$ (658)**	**$ (618)**	**$ 25,675**	**$ 27,030**

The deficit in unrestricted governmental net assets, which increased by $2.2 billion in 2012, exists primarily because the State has issued debt for purposes not resulting in a capital asset related to State governmental activities and the obligation related to other postemployment benefits ($10.1 billion). Such outstanding debt included: securitizing the State's future tobacco settlement receipts ($2.7 billion); eliminating the need for seasonal borrowing by the LGAC ($3.1 billion); and borrowing for local highway and bridge projects ($3.8 billion), local mass transit projects ($2 billion), and a wide variety of grants and other expenditures not resulting in State capital assets ($13.4 billion). This deficit in unrestricted net assets of governmental activities can be expected to continue for as long as the State continues to have obligations outstanding for purposes other than the acquisition of State governmental capital assets.

The net assets for business-type activities decreased by $40 million (6.5 percent) to a deficit of $658 million in 2012 as compared to a deficit of $618 million in 2011. The decrease in net assets for business-type activities was caused primarily by SUNY expenses exceeding revenues and State support ($496 million). This was partially offset by increases in net assets reported by CUNY Senior Colleges, Lottery and the Unemployment Insurance Fund. CUNY Senior College operating revenues and State support exceeded operating expenses ($196 million); Lottery revenues exceeded expenses, including education aid transfers ($160 million); and employer contributions and investment earnings for the Unemployment Insurance Fund exceeded unemployment benefit payments ($100 million).

The following table (Table 2) was derived from the current and prior year government-wide Statements of Activities:

Table 2
Changes in Net Assets for the Fiscal Years Ended March 31, 2012 and 2011
(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Revenues:						
Program revenues:						
Charges for services	$ 12,762	$ 11,725	$ 13,065	$ 12,285	$ 25,827	$ 24,010
Operating grants and contributions	46,627	53,072	10,020	11,445	56,647	64,517
Capital grants and contributions	1,429	1,427	95	76	1,524	1,503
General revenues:						
Taxes	63,731	61,823	—	—	63,731	61,823
Other	3,682	4,747	841	801	4,523	5,548
Total revenues	**128,231**	**132,794**	**24,021**	**24,607**	**152,252**	**157,401**
Expenses:						
Education	30,828	32,478	—	—	30,828	32,478
Public health	58,817	52,618	—	—	58,817	52,618
Public welfare	12,703	17,091	—	—	12,703	17,091
Public safety	6,264	6,143	—	—	6,264	6,143
Transportation	8,347	7,778	—	—	8,347	7,778
Other	10,841	15,199	—	—	10,841	15,199
Lottery	—	—	5,587	5,250	5,587	5,250
Unemployment insurance	—	—	7,363	9,414	7,363	9,414
State University of New York	—	—	9,709	9,032	9,709	9,032
City University of New York	—	—	2,937	2,950	2,937	2,950
Total expenses	**127,800**	**131,307**	**25,596**	**26,646**	**153,396**	**157,953**
Increase (decrease) in net assets before transfers	**431**	**1,487**	**(1,575)**	**(2,039)**	**(1,144)**	**(552)**
Transfers	(1,746)	(1,739)	1,535	1,307	(211)	(432)
Changes in net assets	**(1,315)**	**(252)**	**(40)**	**(732)**	**(1,355)**	**(984)**
Net assets, beginning of year, as restated	**27,648**	**27,900**	**(618)**	**114**	**27,030**	**28,014**
Net assets (deficits), end of year	**$ 26,333**	**$ 27,648**	**$ (658)**	**$ (618)**	**$ 25,675**	**$ 27,030**

Governmental Activities

The State's total revenues for governmental activities of $128.2 billion exceeded its total expenses of $127.8 billion by $431 million (Table 2). However, as shown in the Statement of Activities on page 32, the amount that State taxpayers ultimately financed for activities through State taxes and other State revenues was $67.4 billion, including education aid transfers from the State Lottery of $2.9 billion, grants and contributions of $48.1 billion, and revenues derived by those who directly benefited from the programs of $12.8 billion. Overall, the State's governmental program revenues, including intergovernmental aid, fees for services and capital grants, were $60.8 billion in 2012. The State paid for the remaining "public benefit" portion of governmental activities with $63.7 billion in taxes and $3.7 billion in other revenues including investment earnings`.

Table 3 presents the cost of State support for each of the State's five largest programs: education, public health, public welfare, public safety, and transportation, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial obligation that was placed upon the State's taxpayers by each of these functions.

Table 3
Governmental Activities for the Fiscal Years Ended March 31, 2012 and 2011
(Amounts in millions)

	2012			2011
	Total Cost of Services	Program Revenues	Net Cost of Services	Net Cost of Services
Education	$ 30,828	$ 4,221	$ 26,607	$ 28,156
Public health	58,817	34,984	23,833	13,885
Public welfare	12,703	12,011	692	4,501
Public safety	6,264	762	5,502	5,413
Transportation	8,347	3,365	4,982	4,287
All others	10,841	5,475	5,366	8,841
Totals	**$ 127,800**	**$ 60,818**	**$ 66,982**	**$ 65,083**

Business-type Activities

The cost of all business-type activities this year was $25.6 billion, a decrease of $1 billion as compared to $26.6 billion in 2011 (Table 2). The decrease in expenses for business-type activities was caused primarily by decreases in unemployment benefit payments for the Unemployment Insurance Fund. As shown in the Statement of Activities on page 32, the amount reported as transfers that General Fund tax revenues ultimately financed for business-type activities was $1.5 billion after activity costs were paid by: those directly benefiting from the programs ($13.1 billion), and grants and contributions ($10.1 billion). The decrease in revenues from operating grants and contributions was primarily due to Federal reimbursable benefit programs that provide assistance for high unemployment benefit payments. The increase in revenues from charges for services was primarily caused by increases in Lottery ticket and video gaming sales, increases in SUNY hospitals' inpatient and outpatient volume and rates, increases in SUNY's professional and nonresident student tuition rates, and modest increases in SUNY room rates and occupancy levels.

THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with legal and finance-related requirements. As the State completed the year, its governmental funds (as presented in the balance sheet on page 34) reported a combined fund balance of $6.4 billion. Included in this year's total change in fund balance is a surplus of $137 million in the State's General Fund which resulted from expenditures exceeding revenues by $9.6 billion, which was offset by other financing sources of $9.7 billion to the General Fund. The General Fund reported an increase in personal income taxes ($129 million), consumption and use taxes ($297 million), business taxes ($515 million) and miscellaneous revenues ($506 million), the General Fund also reported a decrease in other taxes ($177 million). Personal income taxes and consumption and use taxes primarily increased due to the continued economic recovery. The increase in business taxes was mostly due to higher collections in corporate and utility taxes and insurance taxes. The decrease in other taxes was related to lower collections of estate taxes. An increase in miscellaneous revenues is the result of higher abandoned property receipts, contributions from several authorities, and increased collection of fines. The increase in General Fund revenues was offset by a $2.8 billion increase in expenditures. Local assistance expenditures increased by nearly $2.5 billion, due primarily to increased Medicaid assistance. State operations increased $340 million, due primarily to increases in pension and personal service costs. The State ended the 2011-12 fiscal year with a General Fund accumulated deficit fund balance of $1.9 billion.

The Enterprise Funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The change in net assets of the Enterprise Funds has already been discussed in the preceding discussion of business-type activities.

General Fund Budgetary Highlights

The financial plan, which uses the cash basis of accounting, was updated quarterly throughout the year as required by the State Finance Law. The quarterly updates reflected revisions to the original financial plan based on actual operating results to date and an updated analysis of underlying economic, revenue and spending trends.

General Fund revenues exceeded disbursements by $411 million in 2011-12. The General Fund ended the fiscal year with a closing cash fund balance of $1.8 billion, which consisted of $1.3 billion in the State's rainy day reserve funds ($1.1 billion in the Tax Stabilization Reserve Account and $175 million in the Rainy Day Reserve Account), $102 million in the Community Projects Account, $21 million in the Contingency Reserve Account, and $358 million in refund reserves.

Actual operating results were $50 million more favorable than anticipated in the original financial plan, and fell above the projections in the final financial plan by $112 million. The original financial plan projected that receipts would exceed expenditures by $361 million in 2011-12. During the fiscal year, actual receipts and disbursements were less than the forecast in the original financial plan. The 2011-12 Enacted Budget plan assumed base tax growth of 7.5 percent. Actual base tax growth for 2011-12, at 7.4 percent, finished within the initial estimate. Based on the financial plan, lower than expected collections from consumption and use and business taxes were nearly offset by higher than anticipated receipts from personal income taxes and other taxes. Total disbursements and transfers to other funds for 2011-12 were $443 million lower than projected in the original financial plan, attributable to lower local aid spending including social services, health care, and education, and lower transfers to other funds for Mental Hygiene State share Medicaid costs. This lower spending was partially offset by higher spending on agency operations.

The final financial plan (issued on February 17, 2012) projected the General Fund operating results would be $299 million. Actual operating results were $112 million above the projection, as both actual receipts and disbursements were less than the final financial plan forecast. Receipts and transfers from other funds were approximately $314 million lower than the final forecast, including collections in user, business, and other taxes, and lower transfers from other funds. These lower receipts were partially offset by higher than expected personal income tax receipts. Total disbursements and transfers to other funds for 2011-12 were $426 million lower than projected in the final financial plan, attributable to local aid, non-personal service expenses, and lower than expected transfers to other funds for Mental Hygiene State-share Medicaid costs, the State Lottery Fund; and Capital Projects reimbursements.

The State's current year General Fund GAAP surplus of $137 million reported on page 36 differs from the General Fund's budgetary basis surplus of $411 million reported in the reconciliation found under Budgetary Basis Reporting on page 102. This variation results from differences in basis of accounting, entity and perspective differences between budgetary reporting versus those established as GAAP and followed in preparation of this financial statement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of 2012, the State has $95.4 billion invested in a broad range of capital assets, including equipment, buildings, construction in progress, land preparation, and infrastructure, which primarily includes roads and bridges (Table 4). This amount represents a net increase (including additions and deductions) of $2.3 billion over last year.

Table 4
Capital Assets as of March 31, 2012 and 2011
(Net of depreciation, amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land and land improvements	$ 4,036	$ 3,963	$ 620	$ 600	$ 4,656	$ 4,563
Land preparation	3,430	3,314	—	—	3,430	3,314
Buildings	4,596	4,563	6,742	6,142	11,338	10,705
Equipment and library books	257	254	752	772	1,009	1,026
Construction in progress	5,006	4,811	3,109	2,359	8,115	7,170
Infrastructure	66,134	65,652	479	462	66,613	66,114
Artwork and historical treasures	—	—	36	36	36	36
Intangible assets	237	219	8	3	245	222
Totals	**$ 83,696**	**$ 82,776**	**$ 11,746**	**$ 10,374**	**$ 95,442**	**$ 93,150**

State-owned roads and bridges that are maintained by the Department of Transportation are being reported using the modified approach. As allowed by the reporting provisions in the Governmental Accounting Standards Board Statement (GASBS) No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, infrastructure assets that meet prescribed criteria do not have to be depreciated but must be maintained at levels defined by State policy. The State is responsible for maintaining more than 42,600 lane miles of highway and 7,871 bridges.

Highway condition is rated using a scale of A1 (very poor) to A10 (excellent) based on the prevalence of surface-related pavement distress. For bridges, a rating of 6 to 7 is excellent, which indicates that no repairs are necessary. A rating of 3 to 5 is fair to good, which indicates that minor repairs are required. A rating of 1 to 2 is deficient, which indicates major repairs or replacements are necessary. Refer to Required Supplementary Information (RSI) for additional information regarding infrastructure assets using the modified approach. Pavement condition rating parameters for the current year are between 6.7 and 7.2, while bridge pavement condition parameters are between 5.3 and 5.6. Capital spending for highway and bridge maintenance and preservation projects was approximately $1.2 billion in 2012.

The State's 2012-13 fiscal year capital budget calls for it to spend $9.7 billion for capital projects, of which $4.6 billion is for transportation projects. To pay for these capital projects, the State plans to use $400 million in general obligation bond proceeds, $4.8 billion in other financing arrangements with public authorities, $1.9 billion in Federal funds, and $2.6 billion in funds on hand or received during the year. More detailed information about the State's capitalization policy for capital assets is presented in Note 1 of the Notes to the Basic Financial Statements.

Debt Administration

The State has obtained long-term financing in the form of voter-approved General Obligation debt (voter-approved debt) and other obligations that are authorized by legislation but not approved by the voters (non-voter-approved debt), including lease-purchase and contractual obligations where the State's legal obligation to make payments is subject to and paid from annual appropriations made by the Legislature or from assignment of revenue in the case of Tobacco Settlement Revenue Bonds. Equipment and Building Capital Leases, and Mortgage Loan Commitments, which represent $508 million as of March 31, 2012, do not require legislative or voter approval. Other obligations include certain bonds issued through State public authorities, certificates of participation, and capital leases obtained through vendors. The State administers its long-term financing needs as a single portfolio of State-supported debt that includes general obligation bonds and other obligations of both its governmental activities and business-type activities. Most of the debt reported under business-type activities, all of which was issued for capital assets used in those activities, is supported by payments from resources generated by the State's governmental activities—thus it is not expected to be repaid from resources generated by business-type activities. The State Finance Law allows the bonded portion of this single combined debt portfolio, which includes debt reported in both governmental and business-type activities, to include debt instruments which result in a net variable rate exposure in an amount that does not exceed 15 percent of total outstanding State-supported debt, and interest rate exchange agreements (swaps) that do not exceed 15 percent of total outstanding State-supported debt. At March 31, 2012, the State had $356 million in State-supported (net) variable rate bonds outstanding and $2.1 billion in interest rate exchange agreements, in which the State issues variable rate bonds and enters into a swap agreement that effectively converts the rate to a fixed rate. Risks related to these transactions are explained in Note 7.

In addition, the State has $259 million in convertible bonds, which bear a fixed rate until future mandatory tender dates in 2013, at which time they can convert to either a fixed or variable rate. The interest rate mode will be determined close to the conversion date.

At March 31, 2012, variable rate bonds, net of those subject to the fixed rate swaps, were equal to 0.7 percent of the State-supported debt portfolio. Variable rate bonds that were converted to a synthetic fixed rate through swap agreements of $2.1 billion were equal to 3.9 percent of the total State-supported debt portfolio.

At March 31, 2012, the State had $58.1 billion in bonds, notes, and other financing agreements outstanding compared with $56.1 billion last year, an increase of $2 billion as shown below in Table 5.

Table 5
Outstanding Debt as of March 31, 2012 and 2011
(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation bonds (voter-approved)	$ 3,611	$ 3,625	$ —	$ —	$ 3,611	$ 3,625
Tobacco Settlement Financing Corporation bonds	2,690	3,012	—	—	2,690	3,012
MBBA Special Purpose School Aid bonds	369	395	—	—	369	395
Capital lease obligations	5	21	359	230	364	251
Mortgage loan commitments	—	—	144	148	144	148
Unamortized bond premiums (discounts)	2,056	1,774	43	(6)	2,099	1,768
Accumulated accretion on capital appreciation bonds	68	70	—	—	68	70
State-supported debt as defined by the State Finance Law	37,386	37,007	11,329	9,850	48,715	46,857
Totals	**$ 46,185**	**$ 45,904**	**$ 11,875**	**$ 10,222**	**$ 58,060**	**$ 56,126**

During the 12 month period reported, the State issued $7.3 billion in bonds, of which $2.1 billion was for refunding and $5.2 billion was for new borrowing. See Note 16 for State debt issued subsequent to the reporting period.

Table 6
New Debt Issued During Prior 12 Month Period
(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Voter-approved debt:						
General obligation:						
New issues	$ 330	$ 500	$ —	$ —	$ 330	$ 500
Refunding issues	—	329	—	—	—	329
Total voter-approved debt	**330**	**829**	**—**	**—**	**330**	**829**
Non-voter-approved debt:						
Other financing arrangements:						
New issues	2,945	2,253	1,891	1,286	4,836	3,539
Refunding issues	1,868	1,578	232	368	2,100	1,946
Total non-voter-approved debt	**4,813**	**3,831**	**2,123**	**1,654**	**6,936**	**5,485**
Totals	**$ 5,143**	**$ 4,660**	**$ 2,123**	**$ 1,654**	**$ 7,266**	**$ 6,314**

The State's assigned general obligation bond ratings on March 31, 2012 were as follows: AA by Standard & Poor's Investor Services (S&P), Aa2 by Moody's Investor Service, Inc., and AA by Fitch Investor Service. The State Constitution, with exceptions for emergencies, limits the amount of general obligation bonds that can be issued to that amount approved by the voters for a single work or purpose in a general election. Currently, the State has $1.3 billion in authorized but unissued bond capacity that can be used to issue bonds for specifically approved purposes. The State may issue short-term debt without voter approval in anticipation of the receipt of taxes and revenues or proceeds from duly authorized but not issued general obligation bonds.

The State Finance Law, through the Debt Reform Act of 2000 (the Act), also imposes phased-in caps on the issuance of new State-supported debt and related debt service costs. The Act also limits the use of debt to capital works and purposes, and establishes a maximum length of term for repayment of 30 years. The Act applies to all State-supported debt. The Act does not apply to debt issued prior to April 1, 2000 or to other obligations issued by public authorities where the State is not the direct obligor.

ECONOMIC FACTORS AFFECTING THE STATE

During 2011, the national and state economies experienced mixed performance. While employment growth in New York was stronger than in many other states, not all parts of New York benefited equally. Between December 2009 (when employment reached its recessionary low) and March 2012, New York regained nearly 94 percent of the jobs lost during the recession (more than twice the share recovered by the nation). Overall, New York's share of recovered jobs ranked fifth-highest among the 50 states. As of March 2012, the State's private sector had created more jobs (335,800) than had been lost in the recession (311,100), but these gains were partially offset by a loss of 23,800 government jobs.

Despite the strong employment growth, the unemployment rate remains high. During the recession, the unemployment rate more than doubled for both the nation (rising from 4.4 percent in May 2007 to 10 percent in October 2009) and for New York (rising from 4.3 percent in March 2007 to 8.9 percent in January 2010). New York's unemployment declined to 8 percent in April 2011 but then began to rise as more people reentered the labor market, and as of March 2012 it had reached 8.5 percent. The national rate, by contrast, had declined to 8.2 percent in March 2012.

New York's Gross State Product (GSP), which accounts for 7.7 percent of the nation's economy, grew by 1.1 percent in 2011, much less than the 4.3 percent gain in 2010, and the State's ranking for GSP growth fell to 27th among the 50 states, from 9th in 2010.

Personal income in the State increased by 4.4 percent in 2011, slightly better than the 4.3 percent gain in 2010, but income grew faster in many other parts of the nation. New York's gain in 2011 was lower than the nation's (which rose to 5.1 percent from 3.7 percent in 2010), and ranked 39th among all the states.

Wall Street is an important component of the State's economy. Although the securities industry accounted for less than 3 percent of all jobs in the State in 2011, it provided 12.6 percent of all wages and generated about 14 percent of State tax revenues. The industry got off to a strong start in 2011, with the broker/dealer operations of New York Stock Exchange member firms earning $12.6 billion in the first half of the year, but the firms then lost $4.9 billion in the second half. The full-year profits of $7.7 billion were the lowest level in a decade (except for the years of the financial crisis). As a result of the decline in Wall Street profitability, the State Comptroller estimated that the cash bonuses paid by securities firms to their New York City employees for work done in 2011 declined by 14 percent.

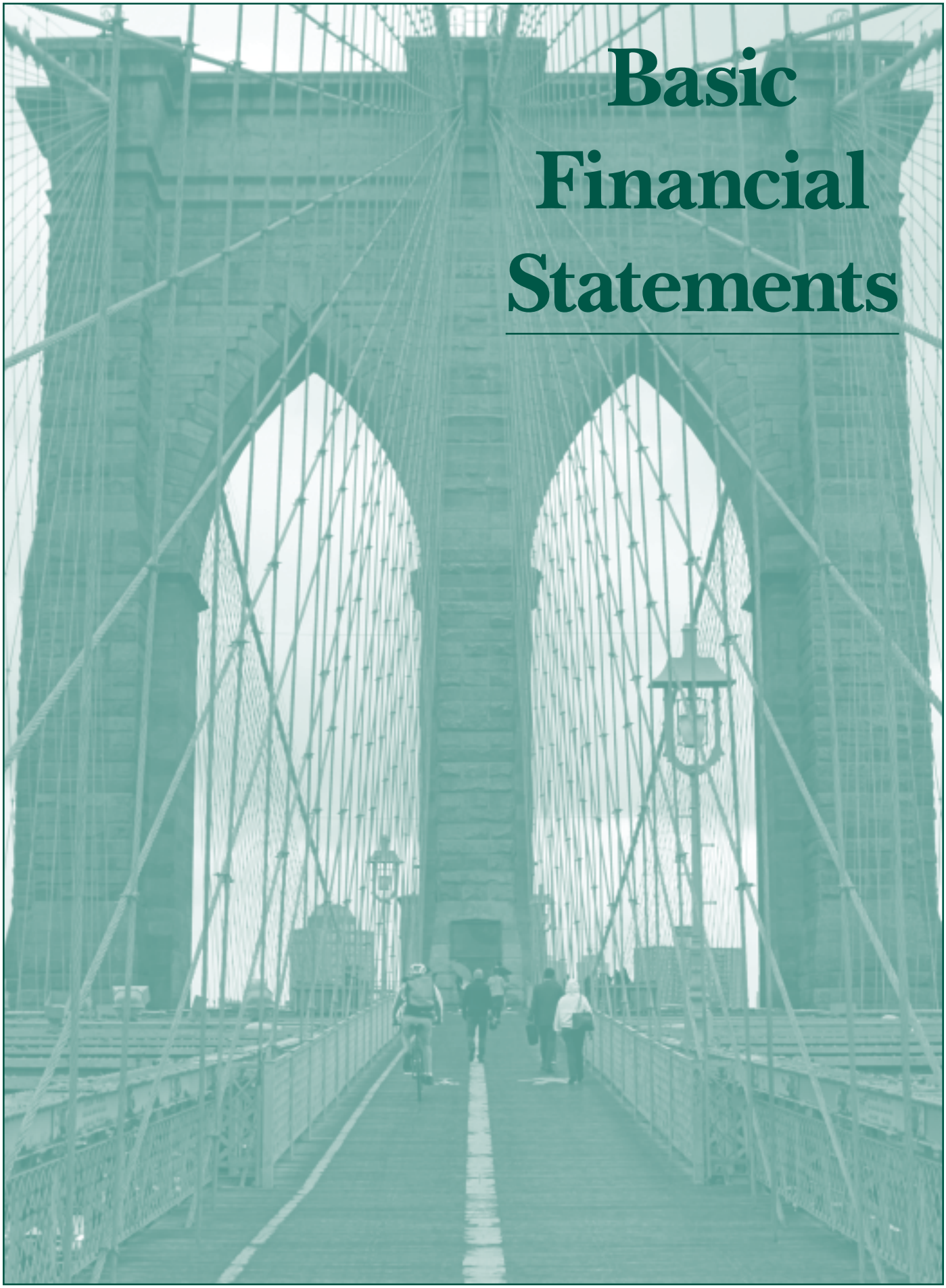
Inflation remained subdued throughout 2011, rising by 3.2 percent nationally and by 2.8 percent in the New York metropolitan area. Excluding food and energy prices, core inflation during 2011 was 1.7 percent in the nation and 1.9 percent in the New York metropolitan area.

A sustained recovery has yet to begin in the housing markets. Home prices in the New York metropolitan area (as measured by the S&P/Case-Shiller Home Price Index) declined by 3.2 percent in 2011, after a 2.2 percent decline in 2010. Overall, home prices have fallen by nearly 26 percent since their peak in 2006. Nationally, home prices were lower by 4 percent in 2011 after a 2.4 percent decline in 2010. The average home price nationwide in March 2012 was one-third lower than it was at the peak in April 2006.

While the foreclosure crisis has been less severe in New York than in many other parts of the nation, the share of mortgages in New York that are at least 90 days delinquent remains at a very high level (9.5 percent during the fourth quarter of 2011). Although the delinquency rate is down from its peak, it is still significantly higher than the prerecession rate of 1.5 percent at the end of 2006.

CONTACTING THE STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to show the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the State Comptroller's Communications Office at 110 State Street, 15th Floor, Albany, New York 12236 or visit our website at *www.osc.state.ny.us.*



Basic Financial Statements

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

Statement of Net Assets (Deficits)

March 31, 2012
(Amounts in millions)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Cash and investments	$ 9,388	$ 6,977	$ 16,365	$ 39,818
Receivables, net of allowances for uncollectibles:				
Taxes	11,681	—	11,681	—
Due from Federal government	4,569	—	4,569	—
Loans, leases and notes	—	—	—	41,668
Other	3,313	3,893	7,206	3,983
Internal balances	(249)	794	545	—
Other assets	745	294	1,039	4,833
Capital assets:				
Land, infrastructure and construction in progress	78,186	3,760	81,946	10,360
Buildings, equipment, land improvements and infrastructure, net of depreciation	5,273	7,978	13,251	62,012
Intangible assets, net of amortization	237	8	245	2,376
Derivative instruments	—	—	—	1
Total assets	**113,143**	**23,704**	**136,847**	**165,051**
Deferred outflows of resources	146	58	204	1,209
Total assets and deferred outflows of resources	**113,289**	**23,762**	**137,051**	**166,260**
LIABILITIES:				
Tax refunds payable	9,157	—	9,157	—
Accounts payable	411	677	1,088	640
Accrued liabilities	6,627	1,210	7,837	17,730
Payable to local governments	4,515	—	4,515	—
Interest payable	509	161	670	—
Pension contributions payable	213	—	213	340
Deferred revenues	470	474	944	1,227
Derivative instruments	—	—	—	192
Long-term liabilities:				
Due within one year	4,205	3,246	7,451	6,894
Due in more than one year:				
Tax refunds payable	1,094	—	1,094	—
Accrued liabilities	5,171	1,095	6,266	347
Payable to local governments	381	—	381	—
Due to Federal government	—	1,818	1,818	—
Lottery prizes payable	—	1,306	1,306	—
Pension contributions payable	1,019	—	1,019	104
Other postemployment benefits	10,094	3,100	13,194	7,771
Pollution remediation	664	—	664	106
Collateralized borrowing	86	—	86	—
Obligations under lease/purchase and other financing arrangements	39,552	11,275	50,827	—
Deferred loss on refunding	(732)	—	(732)	—
Notes payable	—	—	—	320
Bonds payable	3,259	—	3,259	80,204
Other long-term liabilities	—	—	—	11,020
Derivative instruments	261	58	319	1,380
Total liabilities	**86,956**	**24,420**	**111,376**	**128,275**
NET ASSETS (DEFICITS):				
Invested in capital assets, net of related debt	65,875	920	66,795	26,329
Restricted for:				
Debt service	2,502	—	2,502	2,767
Higher education	—	1,204	1,204	1,874
Environmental projects and energy programs	—	—	—	6,213
Economic development and housing	—	—	—	897
Insurance and administrative requirements	—	—	—	1,762
Other purposes	649	141	790	325
Unrestricted deficits	(42,693)	(2,923)	(45,616)	(2,182)
Total net assets (deficits)	**$ 26,333**	**$ (658)**	**$ 25,675**	**$ 37,985**

See accompanying notes to the basic financial statements.

Statement of Activities

For the Year Ended March 31, 2012
(Amounts in millions)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Education	$ 30,828	$ 99	$ 4,122	$ —
Public health	58,817	6,159	28,758	67
Public welfare	12,703	636	11,372	3
Public safety	6,264	163	587	12
Transportation	8,347	1,483	535	1,347
Environment and recreation	1,653	269	356	—
Support and regulate business	1,625	1,527	19	—
General government	5,641	2,426	835	—
Interest on long-term debt	1,922	—	43	—
Total governmental activities	**127,800**	**12,762**	**46,627**	**1,429**
Business-type activities:				
Lottery	5,587	8,439	—	—
Unemployment insurance	7,363	—	7,323	—
State University of New York	9,709	4,004	1,794	95
City University of New York	2,937	622	903	—
Total business-type activities	**25,596**	**13,065**	**10,020**	**95**
Total primary government	**$ 153,396**	**$ 25,827**	**$ 56,647**	**$ 1,524**
Total component units	**$ 34,014**	**$ 18,774**	**$ 8,317**	**$ 2,311**

General revenues:
- Taxes:
  - Personal income
  - Consumption and use
  - Business
  - Other
- Grants and contributions not restricted to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets—beginning of year, as restated

Net assets (deficits)—end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units
$ (26,607)	$ —	$ (26,607)	$ —
(23,833)	—	(23,833)	—
(692)	—	(692)	—
(5,502)	—	(5,502)	—
(4,982)	—	(4,982)	—
(1,028)	—	(1,028)	—
(79)	—	(79)	—
(2,380)	—	(2,380)	—
(1,879)	—	(1,879)	—
(66,982)	**—**	**(66,982)**	**—**
—	2,852	2,852	—
—	(40)	(40)	—
—	(3,816)	(3,816)	—
—	(1,412)	(1,412)	—
—	**(2,416)**	**(2,416)**	**—**
(66,982)	**(2,416)**	**(69,398)**	**—**
			(4,612)
38,329	—	38,329	—
14,492	—	14,492	—
7,782	—	7,782	—
3,128	—	3,128	—
—	—	—	1,443
—	367	367	1,040
3,682	474	4,156	2,107
67,413	**841**	**68,254**	**4,590**
(1,746)	1,535	(211)	—
65,667	**2,376**	**68,043**	**4,590**
(1,315)	**(40)**	**(1,355)**	**(22)**
27,648	**(618)**	**27,030**	**38,007**
$ 26,333	**$ (658)**	**$ 25,675**	**$ 37,985**

Balance Sheet

GOVERNMENTAL FUNDS

March 31, 2012
(Amounts in millions)

	Major Funds					
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Eliminations	Total
ASSETS:						
Cash and investments	$ 2,276	$ 114	$ 1,543	$ 5,455	$ —	**$ 9,388**
Receivables, net of allowances for uncollectibles:						
Taxes	8,762	—	2,263	656	—	**11,681**
Due from Federal government	—	4,524	2	179	—	**4,705**
Other	1,414	577	397	925	—	**3,313**
Due from other funds	1,462	—	—	1,123	(736)	**1,849**
Other assets	159	47	—	15	—	**221**
Total assets	**$ 14,073**	**$ 5,262**	**$ 4,205**	**$ 8,353**	**$ (736)**	**$ 31,157**
LIABILITIES:						
Tax refunds payable	$ 7,136	$ —	$ 1,753	$ 268	$ —	**$ 9,157**
Accounts payable	79	27	—	305	—	**411**
Accrued liabilities	2,890	2,399	8	279	—	**5,576**
Payable to local governments	2,785	1,510	67	153	—	**4,515**
Due to other funds	1,779	679	369	840	(736)	**2,931**
Pension contributions payable	213	—	—	—	—	**213**
Deferred revenues	1,059	616	66	218	—	**1,959**
Total liabilities	**15,941**	**5,231**	**2,263**	**2,063**	**(736)**	**24,762**
FUND BALANCES (DEFICITS):						
Restricted	—	31	1,916	1,204	—	**3,151**
Committed	567	—	26	3,689	—	**4,282**
Assigned	1,574	—	—	1,772	—	**3,346**
Unassigned	(4,009)	—	—	(375)	—	**(4,384)**
Total fund balances (deficits)	**(1,868)**	**31**	**1,942**	**6,290**	**—**	**6,395**
Total liabilities and fund balances (deficits)	**$ 14,073**	**$ 5,262**	**$ 4,205**	**$ 8,353**	**$ (736)**	**$ 31,157**

See accompanying notes to the basic financial statements.

Reconciliation of the Balance Sheet

GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

March 31, 2012
(Amounts in millions)

Total fund balances—governmental funds	**$**	**6,395**
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		83,696
Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds		1,489
Medicaid cost recoveries not available soon enough to reduce current period expenditures that are due to the Federal government		(136)
Deferred charges related to bond issuance costs		524
Deferred outflows of resources		146
Some liabilities (listed below) are not due and payable in the current period and therefore are not reported in the funds:		
Interest payable		(509)
Due to business-type activities		(218)
Long-term liabilities due within one year		(4,205)
Tax refunds payable		(1,094)
Accrued liabilities		(5,171)
Payable to local governments		(381)
Pension contributions payable		(1,019)
Other postemployment benefits		(10,094)
Pollution remediation		(664)
Collateralized borrowing		(86)
Lease/purchase and other financing arrangements		(39,552)
Deferred loss on refunding		732
Bonds payable		(3,259)
Derivative instruments		(261)
Total net assets—governmental activities	**$**	**26,333**

See accompanying notes to the basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

GOVERNMENTAL FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Major Funds					
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Eliminations	Total
REVENUES:						
Taxes:						
Personal income	$ 25,024	$ —	$ 10,061	$ 3,270	$ —	$ 38,355
Consumption and use	8,875	—	—	5,653	—	14,528
Business	5,644	—	—	2,114	—	7,758
Other	1,091	—	—	2,024	—	3,115
Federal grants	60	45,728	38	2,190	—	48,016
Public health/patient fees	—	—	—	4,648	—	4,648
Tobacco settlement	—	—	395	58	—	453
Miscellaneous	7,650	57	21	4,362	(657)	11,433
Total revenues	**48,344**	**45,785**	**10,515**	**24,319**	**(657)**	128,306
EXPENDITURES:						
Local assistance grants:						
Social services	14,351	32,999	—	4,543	—	51,893
Education	20,184	4,705	—	6,366	—	31,255
Mental hygiene	1,841	159	—	90	—	2,090
General purpose	1,042	—	—	—	—	1,042
Health and environment	1,813	1,137	—	1,516	—	4,466
Transportation	503	50	—	4,774	—	5,327
Criminal justice	184	423	—	138	—	745
Miscellaneous	440	637	—	972	—	2,049
State operations:						
Personal service	8,503	616	—	320	—	9,439
Non-personal service	3,307	599	41	2,425	(605)	5,767
Pension contributions	1,460	55	—	23	—	1,538
Other fringe benefits	4,283	180	—	66	(52)	4,477
Capital construction	—	—	—	4,198	—	4,198
Debt service, including payments on financing arrangements	—	—	4,522	710	—	5,232
Total expenditures	**57,911**	**41,560**	**4,563**	**26,141**	**(657)**	129,518
Excess (deficiency) of revenues over expenditures	**(9,567)**	**4,225**	**5,952**	**(1,822)**	**—**	(1,212)
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	15,537	—	3,439	7,505	(23,199)	3,282
Transfers to other funds	(6,238)	(4,198)	(9,433)	(8,429)	23,199	(5,099)
Collateralized borrowing	—	—	—	—	—	—
General obligation bonds issued	—	—	—	330	—	330
Financing arrangements issued	352	—	—	2,593	—	2,945
Refunding debt issued	—	—	1,624	244	—	1,868
Payments to escrow agents for refundings	—	—	(1,780)	(253)	—	(2,033)
Swap termination	—	—	—	(27)	—	(27)
Premiums on bonds issued	53	—	172	340	—	565
Net other financing sources (uses)	**9,704**	**(4,198)**	**(5,978)**	**2,303**	**—**	1,831
Net change in fund balances	**137**	**27**	**(26)**	**481**	**—**	619
Fund balances (deficits) at April 1, 2011, as restated	**(2,005)**	**4**	**1,968**	**5,809**	**—**	5,776
Fund balances (deficits) at March 31, 2012	**$ (1,868)**	**$ 31**	**$ 1,942**	**$ 6,290**	**$ —**	$ 6,395

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended March 31, 2012

(Amounts in millions)

Net change in fund balances—total governmental funds		**$ 619**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds and the sale of capital assets is recorded as revenue in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Depreciation expense, net of asset disposal	$ (349)	
Disposal of assets	(297)	
Purchase of assets	1,566	
		920
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of proceeds and repayments:		
Repayment of principal	$ 3,316	
Long-term debt proceeds	(5,681)	
Payments to refunding agent	2,033	
		(332)
Decrease in revenues in the statement of activities that do not reduce current financial resources and are not reported in the funds		(59)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Local assistance grants	$ 339	
State operations	(2,413)	
Capital construction	(160)	
Transfers to business-type activities	(230)	
Other	1	
		(2,463)
Change in net assets of governmental activities		**$ (1,315)**

See accompanying notes to the basic financial statements.

Statement of Net Assets (Deficits)

ENTERPRISE FUNDS

March 31, 2012
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2011 SUNY	June 30, 2011 CUNY	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Current assets:					
Cash and cash equivalents	$ 386	$ 69	$ 1,440	$ 568	**$ 2,463**
Investments	138	—	328	20	**486**
Deposits with trustees and DASNY	—	—	—	230	**230**
Receivables, net of allowance for uncollectibles	470	2,117	992	166	**3,745**
Due from other funds	—	—	355	268	**623**
Other assets	8	—	121	16	**145**
Total current assets	**1,002**	**2,186**	**3,236**	**1,268**	**7,692**
Noncurrent assets:					
Restricted cash and cash equivalents	—	—	115	3	**118**
Long-term investments	1,447	—	736	227	**2,410**
Deposits with trustees	—	—	783	487	**1,270**
Receivables, net of allowance for uncollectibles	—	—	126	22	**148**
Due from other funds	—	—	399	—	**399**
Capital assets:					
Land, construction in progress and artwork	—	—	2,209	1,551	**3,760**
Buildings and equipment, net of depreciation	—	—	5,756	2,222	**7,978**
Intangible assets, net of amortization	—	—	—	8	**8**
Other assets	—	—	103	46	**149**
Total noncurrent assets	**1,447**	**—**	**10,227**	**4,566**	**16,240**
Total assets	**2,449**	**2,186**	**13,463**	**5,834**	**23,932**
Deferred outflows of resources	—	—	—	58	**58**
Total assets and deferred outflows of resources	**2,449**	**2,186**	**13,463**	**5,892**	**23,990**
LIABILITIES:					
Current liabilities:					
Accounts payable	25	—	459	193	**677**
Accrued liabilities	337	38	818	348	**1,541**
Due to Federal government	—	2,144	—	—	**2,144**
Lottery prizes payable	171	—	—	—	**171**
Due to other funds	228	—	—	—	**228**
Interest payable	—	—	91	70	**161**
Deferred revenues	10	—	330	134	**474**
Obligations under lease/purchase and other financing arrangements	—	—	399	201	**600**
Total current liabilities	**771**	**2,182**	**2,097**	**946**	**5,996**
Noncurrent liabilities:					
Accrued liabilities	1	—	1,023	71	**1,095**
Due to Federal government	—	1,818	—	—	**1,818**
Other postemployment benefits	—	—	2,746	354	**3,100**
Lottery prizes payable	1,306	—	—	—	**1,306**
Obligations under lease/purchase and other financing arrangements	—	—	7,361	3,914	**11,275**
Derivative instruments	—	—	—	58	**58**
Total noncurrent liabilities	**1,307**	**1,818**	**11,130**	**4,397**	**18,652**
Total liabilities	**2,078**	**4,000**	**13,227**	**5,343**	**24,648**
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	—	—	875	45	**920**
Restricted for:					
Nonexpendable purposes	—	—	289	42	**331**
Expendable purposes	—	—	495	378	**873**
Future prizes	141	—	—	—	**141**
Unrestricted (deficits)	230	(1,814)	(1,423)	84	**(2,923)**
Total net assets (deficits)	**$ 371**	**$ (1,814)**	**$ 236**	**$ 549**	**$ (658)**

See accompanying notes to the basic financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits)

ENTERPRISE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2011 SUNY	June 30, 2011 CUNY	Total
OPERATING REVENUES:					
Ticket and video gaming sales	$ 8,439	$ —	$ —	$ —	$ 8,439
Employer contributions	—	7,323	—	—	7,323
Tuition and fees, net	—	—	1,152	601	1,753
Government grants and contracts	—	—	917	788	1,705
Private gifts, grants and contracts	—	—	329	82	411
Hospitals and clinics	—	—	2,012	—	2,012
Auxiliary enterprises	—	—	840	21	861
Other	—	—	166	39	205
Total operating revenues	**8,439**	**7,323**	**5,416**	**1,531**	**22,709**
OPERATING EXPENSES:					
Benefits paid	—	7,363	—	—	7,363
Prizes	4,130	—	—	—	4,130
Commissions and fees	1,211	—	—	—	1,211
Educational and general	—	—	5,624	2,595	8,219
Hospitals and clinics	—	—	2,301	—	2,301
Auxiliary enterprises	—	—	839	31	870
Instant game ticket costs	25	—	—	—	25
Depreciation and amortization	2	—	440	174	616
Other	148	—	6	—	154
Total operating expenses	**5,516**	**7,363**	**9,210**	**2,800**	**24,889**
Operating income (loss)	**2,923**	**(40)**	**(3,794)**	**(1,269)**	**(2,180)**
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	197	—	23	6	226
Other income (expenses)	(1)	140	12	5	156
Private gifts, grants, and contracts	—	—	64	31	95
Federal and city appropriations	—	—	18	33	51
Federal and state nonoperating grants	—	—	530	—	530
Net increase in the fair value of investments	—	—	115	26	141
Plant and equipment write-off	—	—	(9)	—	(9)
Loss on acquisition	—	—	(166)	—	(166)
Interest expense	(71)	—	(324)	(137)	(532)
Total nonoperating revenues (expenses)	**125**	**140**	**263**	**(36)**	**492**
Income (loss) before other revenues and transfers	**3,048**	**100**	**(3,531)**	**(1,305)**	**(1,688)**
State transfers	—	—	2,922	1,070	3,992
Education aid transfer	(2,888)	—	—	—	(2,888)
Capital transfers	—	—	—	431	431
Capital gifts and grants	—	—	95	—	95
Additions to permanent endowments	—	—	18	—	18
Increase (decrease) in net assets (deficits)	**160**	**100**	**(496)**	**196**	**(40)**
Net assets (deficits)—beginning of year	**211**	**(1,914)**	**732**	**353**	**(618)**
Net assets (deficits)—end of year	**$ 371**	**$ (1,814)**	**$ 236**	**$ 549**	**$ (658)**

See accompanying notes to the basic financial statements.

Statement of Cash Flows

ENTERPRISE FUNDS

Year Ended March 31, 2012

(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2011 SUNY	June 30, 2011 CUNY	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from:					
Contributions	$ —	$ 7,214	$ —	$ —	**$ 7,214**
Ticket sales	8,329	—	—	—	**8,329**
Tuition and fees	—	—	1,151	613	**1,764**
Government grants and contracts	—	—	982	800	**1,782**
Private grants and contracts	—	—	317	84	**401**
Hospitals and clinics	—	—	1,912	—	**1,912**
Auxiliary enterprises	—	—	831	21	**852**
Other	—	—	96	6	**102**
Payments for:					
Claims	—	(7,440)	—	—	**(7,440)**
Prizes	(4,049)	—	—	—	**(4,049)**
Commissions and fees	(1,251)	—	—	—	**(1,251)**
Operating expenses	(132)	—	(6,648)	(2,187)	**(8,967)**
Other	(1)	—	(170)	(273)	**(444)**
Net cash provided (used) by operating activities	**2,896**	**(226)**	**(1,529)**	**(936)**	**205**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer to education	(2,884)	—	—	—	**(2,884)**
Temporary loan from Federal government	—	2,527	—	—	**2,527**
Repayment of temporary loan from Federal government	—	(2,269)	—	—	**(2,269)**
Transfers from governmental activities	55	—	1,750	1,003	**2,808**
Federal and state nonoperating grants	—	—	529	—	**529**
Private gifts and grants	—	—	63	—	**63**
Gifts and grants	—	—	—	31	**31**
Proceeds from short-term loans	—	—	111	—	**111**
Repayment of short-term loans	—	—	(100)	—	**(100)**
Direct loan receipts	—	—	1,121	—	**1,121**
Direct loan disbursements	—	—	(1,121)	—	**(1,121)**
Enterprise fund transactions	—	—	3	(2)	**1**
Net cash (used) provided by noncapital financing activities	**(2,829)**	**258**	**2,356**	**1,032**	**817**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt	—	—	1,344	948	**2,292**
Capital transfers	—	—	—	431	**431**
Purchase of capital assets	(2)	—	(1,113)	(685)	**(1,800)**
Principal payments on capital leases	—	—	(440)	(327)	**(767)**
Principal payments on refunded bonds	—	—	—	(4)	**(4)**
Interest payments on capital leases	—	—	(417)	(135)	**(552)**
Capital gifts and grants received	—	—	135	—	**135**
Bond issuance cost	—	—	—	(9)	**(9)**
Deposits held by bond trustees and DASNY	—	—	(201)	(283)	**(484)**
Decrease in amounts held by the DASNY	—	—	—	(17)	**(17)**
Net cash used by capital financing activities	**(2)**	**—**	**(692)**	**(81)**	**(775)**

(Continued)

Statement of Cash Flows (cont'd)

ENTERPRISE FUNDS

Year Ended March 31, 2012

(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2011 SUNY	June 30, 2011 CUNY	Total
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest, dividends and realized gains on investments	25	—	59	6	**90**
Proceeds from sales and maturities of investments	153	—	2,351	453	**2,957**
Purchases of investments	(87)	—	(2,459)	(462)	**(3,008)**
Net cash provided (used) by investing activities	**91**	**—**	**(49)**	**(3)**	**39**
Net increase in cash and cash equivalents	**156**	**32**	**86**	**12**	**286**
Cash and cash equivalents—beginning of year	230	37	1,469	559	**2,295**
Cash and cash equivalents—end of year	**$ 386**	**$ 69**	**$ 1,555**	**$ 571**	**$ 2,581**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 2,923	$ (40)	$ (3,794)	$ (1,269)	**$ (2,180)**
Adjustments to reconcile operating income (loss) to net cash provided (used) by nonoperating and noncash activities:					
Depreciation and amortization	2	—	440	174	**616**
Bad debt expense	—	—	—	16	**16**
Other nonoperating and noncash items	(1)	—	1,159	—	**1,158**
Change in assets and liabilities:					
Receivables, net	129	(109)	(134)	(21)	**(135)**
Other assets	3	—	(36)	4	**(29)**
Lottery prizes payable	(24)	—	—	—	**(24)**
Unclaimed and future prizes	10	—	—	—	**10**
Accrued liabilities	(144)	—	100	110	**66**
Other postemployment benefits	—	—	596	50	**646**
Deferred revenues	(2)	—	140	—	**138**
Other payables	—	(77)	—	—	**(77)**
Net cash provided (used) by operating activities	**$ 2,896**	**$ (226)**	**$ (1,529)**	**$ (936)**	**$ 205**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
New capital leases / debt agreements	$ —	$ —	$ 1,475	$ —	**$ 1,475**
Fringe benefits provided by the State	$ —	$ —	$ 1,142	$ —	**$ 1,142**
Litigation costs provided by the State	$ —	$ —	$ 17	$ —	**$ 17**
Noncash gifts	$ —	$ —	$ 33	$ —	**$ 33**
Increase in unrealized gains on investments	$ 125	$ —	$ —	$ —	**$ 125**
Amortization of investment discount	$ 47	$ —	$ —	$ —	**$ 47**
Assets from Long Island College Hospital acquisition	$ —	$ —	$ 436	$ —	**$ 436**
Liabilities from Long Island College Hospital acquisition	$ —	$ —	$ 602	$ —	**$ 602**

See accompanying notes to the basic financial statements.

Statement of Fiduciary Net Assets

FIDUCIARY FUNDS

March 31, 2012
(Amounts in millions)

	Pension Trusts	Private Purpose Trusts	Agency
ASSETS:			
Cash and investments	$ —	$ 12,459	$ 2,670
Retirement system investments:			
Short-term investments	7,398	—	—
Government bonds	23,419	—	—
Corporate bonds	10,021	—	—
Domestic equities	55,889	—	—
International equities	23,171	—	—
Private equities	14,926	—	—
Absolute return strategy investments	5,166	—	—
Opportunistic funds	527	—	—
Real estate and mortgage loans	10,142	—	—
Securities lending collateral, invested	4,895	—	—
Forward foreign exchange contracts	492	—	—
Receivables, net of allowances for uncollectibles:			
Employer contributions	1,712	—	—
Member contributions	6	—	—
Member loans	1,081	—	—
Accrued interest and dividends	429	—	—
Other	284	197	358
Due from other funds	—	1,051	—
Other assets	—	—	144
Capital assets, at cost, net of accumulated depreciation	34	—	—
Total assets	**159,592**	**13,707**	**$ 3,172**
LIABILITIES:			
Securities lending obligations	5,078	—	$ —
Forward foreign exchange contracts	492	—	—
Accounts payable	—	—	57
Accounts payable-investments	263	—	—
Accounts payable-benefits	187	—	—
Other liabilities	178	1,607	1,530
Payable to local governments	—	—	1,585
Total liabilities	**6,198**	**1,607**	**$ 3,172**
NET ASSETS:			
Held in trust for pension benefits and other purposes	**$ 153,394**	**$ 12,100**	

See accompanying notes to the basic financial statements.

Statement of Changes in Fiduciary Net Assets

FIDUCIARY FUNDS

Year Ended March 31, 2012

(Amounts in millions)

	Pension Trusts	Private Purpose Trusts
Additions:		
Investment earnings:		
Interest income	$ 1,379	$ 30
Dividend income	1,406	254
Other income	518	1
Securities lending income	33	—
Net increase in the fair value of investments	4,959	33
Total investment earnings	**8,295**	**318**
Less:		
Securities lending expenses	(3)	—
Investment expenses	(424)	(35)
Net investment earnings	**7,868**	**283**
Contributions:		
College savings	—	2,006
Employers	4,585	—
Members	273	—
Interest on accounts receivable	72	—
Other	86	—
Total contributions	**5,016**	**2,006**
Net transfers from General Fund	—	307
Total additions	**12,884**	**2,596**
Deductions:		
College aid redemptions	—	1,214
Benefits paid:		
Retirement allowances	8,678	—
Death benefits	185	—
Other benefits	75	—
Administrative expenses	101	—
Claims paid	—	307
Total deductions	**9,039**	**1,521**
Net increase	**3,845**	**1,075**
Net assets held in trust for pension benefits and other purposes at April 1, 2011	**149,549**	**11,025**
Net assets held in trust for pension benefits and other purposes at March 31, 2012	**$ 153,394**	**$ 12,100**

See accompanying notes to the basic financial statements.

Combining Statement of Net Assets

DISCRETELY PRESENTED COMPONENT UNITS

March 31, 2012
(Amounts in millions)

	Major Component Units				
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Cash and investments	$ 2,489	$ 1,559	$ 601	$ 5,012	$ 5,958
Receivables, net of allowances for uncollectibles:					
Loans, leases, and notes	371	9,270	—	—	39,855
Other	196	32	74	2,840	615
Other assets	860	—	63	2,097	—
Capital assets:					
Construction in progress	134	—	478	9,235	—
Land and buildings, net of depreciation	4,776	—	4,392	42,602	30
Intangible assets	—	—	—	—	—
Derivative instruments	—	—	—	1	—
Total assets	**8,826**	**10,861**	**5,608**	**61,787**	**46,458**
Deferred outflows of resources	209	44	—	712	—
Total assets and deferred outflows of resources	**9,035**	**10,905**	**5,608**	**62,499**	**46,458**
LIABILITIES:					
Accounts payable	—	7	—	503	—
Accrued liabilities	404	84	234	2,332	1,121
Pension contributions payable	—	—	—	330	—
Deferred revenues	—	161	60	469	59
Notes payable	413	—	876	—	—
Bonds payable	43	151	61	665	4,157
Current portion of other long-term liabilities	5	—	4	145	—
Derivative instruments	117	—	—	—	—
Due in more than one year:					
Accrued liabilities	—	—	—	—	213
Pension contributions payable	—	—	—	39	—
Other postemployment benefits	—	33	245	6,608	55
Pollution remediation	—	—	1	83	—
Deferred revenues	743	17	—	—	—
Notes payable	288	—	—	—	—
Bonds payable	1,064	10,005	2,221	31,263	40,337
Other long-term liabilities	2,531	—	11	3,316	121
Derivative instruments	132	44	—	730	—
Total liabilities	**5,740**	**10,502**	**3,713**	**46,483**	**46,063**
NET ASSETS:					
Invested in capital assets, net of related debt	1,821	—	1,810	20,172	12
Restricted for:					
Debt service	—	350	145	1,214	317
Higher education	—	—	—	—	—
Environmental projects and energy programs	32	—	—	—	—
Economic development and housing	—	—	—	—	—
Insurance and administrative requirements	—	—	—	159	—
Other purposes	—	—	58	—	—
Unrestricted (deficit)	1,442	53	(118)	(5,529)	66
Total net assets	**$ 3,295**	**$ 403**	**$ 1,895**	**$ 16,016**	**$ 395**

See accompanying notes to the basic financial statements.

Major Component Units

Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Non-Major Component Units	Eliminations	Total
$ 448	$ 2,396	$ 12,749	$ 2,202	$ 3,628	$ 5,642	$ (2,866)	**$ 39,818**
155	8,765	—	3,213	9,728	801	(30,490)	**41,668**
775	210	404	33	158	651	(2,005)	**3,983**
1,292	225	13	89	—	220	(26)	**4,833**
287	—	—	—	—	226	—	**10,360**
6,338	1,400	—	—	—	2,474	—	**62,012**
2,376	—	—	—	—	—	—	**2,376**
—	—	—	—	—	—	—	**1**
11,671	**12,996**	**13,166**	**5,537**	**13,514**	**10,014**	**(35,387)**	**165,051**
134	—	—	61	—	93	(44)	**1,209**
11,805	**12,996**	**13,166**	**5,598**	**13,514**	**10,107**	**(35,431)**	**166,260**
—	—	—	—	—	130	—	**640**
769	440	11,178	70	252	940	(94)	**17,730**
—	—	—	—	—	10	—	**340**
—	—	367	—	1	113	(3)	**1,227**
200	152	—	—	—	9	(2)	**1,648**
278	699	—	232	449	123	(2,017)	**4,841**
148	77	—	—	—	26	—	**405**
75	—	—	—	—	—	—	**192**
57	—	—	—	—	77	—	**347**
—	—	—	—	—	65	—	**104**
20	18	—	30	9	753	—	**7,771**
—	22	—	—	—	—	—	**106**
—	3	—	—	6	521	—	**1,290**
—	1	—	—	—	47	(16)	**320**
6,380	9,271	—	2,981	7,598	2,588	(33,504)	**80,204**
3,126	440	—	—	—	185	—	**9,730**
356	—	—	61	—	101	(44)	**1,380**
11,409	**11,123**	**11,545**	**3,374**	**8,315**	**5,688**	**(35,680)**	**128,275**
(97)	1,246	—	—	—	1,365	—	**26,329**
—	—	—	649	—	72	20	**2,767**
—	—	—	—	—	1,874	—	**1,874**
31	—	—	—	5,193	957	—	**6,213**
—	627	—	—	—	270	—	**897**
—	—	—	1,594	—	9	—	**1,762**
—	—	—	—	—	267	—	**325**
462	—	1,621	(19)	6	(395)	229	**(2,182)**
$ 396	**$ 1,873**	**$ 1,621**	**$ 2,224**	**$ 5,199**	**$ 4,419**	**$ 249**	**$ 37,985**

Combining Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 2012
(Amounts in millions)

	Major Component Units				
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority
EXPENSES:					
Program operations	$ 2,179	$ 106	$ 482	$ 11,696	$ 108
Interest on long-term debt	64	94	103	1,429	1,928
Other interest	63	—	—	—	—
Depreciation and amortization	194	—	278	2,020	—
Other expenses	65	1	9	—	120
Total expenses	**2,565**	**201**	**872**	**15,145**	**2,156**
PROGRAM REVENUES:					
Charges for services	2,655	130	668	6,501	2,050
Operating grants and contributions	—	44	2	4,184	—
Capital grants and contributions	59	—	6	1,841	—
Total program revenues	**2,714**	**174**	**676**	**12,526**	**2,050**
Net program revenue (expenses)	**149**	**(27)**	**(196)**	**(2,619)**	**(106)**
GENERAL REVENUES:					
Non-State grants and contributions not restricted to specific programs	—	—	—	1,202	—
Investment earnings:					
Restricted	—	5	—	—	19
Unrestricted	37	—	—	—	—
Miscellaneous	108	—	—	557	65
Total general revenues	**145**	**5**	**—**	**1,759**	**84**
Change in net assets	**294**	**(22)**	**(196)**	**(860)**	**(22)**
Net assets—beginning of year, as restated	**3,001**	**425**	**2,091**	**16,876**	**417**
Net assets—end of year	**$ 3,295**	**$ 403**	**$ 1,895**	**$ 16,016**	**$ 395**

See accompanying notes to the basic financial statements.

Major Component Units

Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Non-Major Component Units	Eliminations	Total
$ 3,236	$ 997	$ 2,133	$ 51	$ 280	$ 5,953	$ (9)	**$ 27,212**
321	429	—	142	340	95	(1,622)	**3,323**
11	—	—	—	—	9	—	**83**
268	15	—	3	—	175	—	**2,953**
—	26	—	5	—	220	(3)	**443**
3,836	**1,467**	**2,133**	**201**	**620**	**6,452**	**(1,634)**	**34,014**
3,685	32	1,483	173	13	2,419	(1,035)	**18,774**
—	1,362	—	1	18	3,266	(560)	**8,317**
—	—	—	—	348	57	—	**2,311**
3,685	**1,394**	**1,483**	**174**	**379**	**5,742**	**(1,595)**	**29,402**
(151)	**(73)**	**(650)**	**(27)**	**(241)**	**(710)**	**39**	**(4,612)**
135	—	—	—	—	106	—	**1,443**
—	—	581	32	185	116	—	**938**
4	1	—	—	—	60	—	**102**
31	108	60	99	363	761	(45)	**2,107**
170	**109**	**641**	**131**	**548**	**1,043**	**(45)**	**4,590**
19	**36**	**(9)**	**104**	**307**	**333**	**(6)**	**(22)**
377	**1,837**	**1,630**	**2,120**	**4,892**	**4,086**	**255**	**38,007**
$ 396	**$ 1,873**	**$ 1,621**	**$ 2,224**	**$ 5,199**	**$ 4,419**	**$ 249**	**$ 37,985**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2012

Note 1 Summary of Significant Accounting Policies

The accompanying basic financial statements of the State of New York (State) have been prepared in conformity with generally accepted accounting principles (GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

The basic financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

a. Reporting Entity

The basic financial statements include all funds of the primary government, which is the State, as well as the component units and other organizational entities determined to be included in the State's financial reporting entity.

The decision to include a component unit in the State's reporting entity is based on several criteria, including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the State's reporting entity.

Blended Component Units

The New York Local Government Assistance Corporation (LGAC) was created by Chapter 220 of the Laws of 1990. LGAC is administered by seven directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex-officio, and five directors appointed by the Governor. LGAC was created to issue long-term debt on behalf of the State to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. LGAC is legally separate but provides services exclusively to the State and therefore is reported as part of the primary government as a blended component unit.

The Tobacco Settlement Financing Corporation (TSFC) was created by Part D3 of Chapter 62 of the Laws of 2003. TSFC was created as a subsidiary of the State of New York Municipal Bond Bank Agency (Agency). The directors of the Agency are members of TSFC. TSFC is governed by a seven member board, consisting of: the Chairman of the Agency, the Secretary of State, the Director of the Budget, the State Comptroller or his appointee, and three directors appointed by the Governor. TSFC was created to issue long-term debt on behalf of the State to finance State operations plus amounts necessary to fund a capital reserve fund and other issuance costs. TSFC is legally separate but provides services exclusively to the State and therefore is reported as part of the primary government as a blended component unit.

Discretely Presented Component Units

The public benefit corporations (Corporations) listed in Note 14 were established by State statute with full corporate powers. The Governor, with the approval of the State Senate, appoints most members of the board of directors of most Corporations and either the Governor or the board of directors selects the chairman and chief executive officer. Corporations generally submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances, accompanied by an independent auditors' report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the Corporations. Financial assistance was provided in the fiscal year ended March 31, 2012 to certain Corporations and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations. Since the Corporations are legally separate organizations for which the Governor and Legislature are financially accountable, they are discretely presented as component units of the State.

Related Organizations and Joint Ventures

The State's officials are also responsible for appointing the members of the boards of various related organizations (e.g., the Nassau County Interim Finance Authority), but the State's accountability for these organizations does not extend beyond making the appointments. As discussed in more detail in Note 15, the State participates in several joint ventures but only reports on one due to materiality.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity within governmental and business-type activities has been

eliminated from these statements. However, balances due and resource flows between governmental and business-type activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions or programs. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate financial statements are provided for Governmental Funds, Enterprise Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the Enterprise Funds, Component Units and the Fiduciary Funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or collectible within 12 months of the end of the current fiscal period. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables not expected to be collected within the next 12 months are offset by deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 modified the recognition criteria of certain expenditures and liabilities. GASBI 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies, such as local assistance grants and public benefit corporation subsidies, are recognized as expenditures when all requirements of the grant and/or subsidy have been satisfied.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and Enterprise Fund financial statements to the extent that those standards do not conflict with or contradict the guidance of GASB. The State also has the option of following private-sector guidance issued after November 30, 1989 for its business-type activities, Enterprise Funds and component units. As allowed by GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the State has elected only to follow those Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB), issued prior to December 1, 1989. However, the Power Authority of the State of New York and the Long Island Power Authority have elected to continue to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. In addition, the State Insurance Fund prepares financial statements in conformity with accounting practices prescribed or permitted by the Department of Financial Services of the State of New York (Department of Financial Services). The Department of Financial Services recognizes only New York Statutory Accounting Practices for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law.

The State reports the following major and other governmental funds:

General Fund—is the primary operating fund of the State and is used to account for all financial transactions not required to be accounted for in another fund.

Federal Special Revenue Fund—accounts for Federal grants received by the State that are earmarked for specific programs. In order to comply with Federal accounting and reporting requirements, certain Federal grants are accounted for in a number of accounts that are combined and reported as the Federal Special Revenue Fund. Accounts that are combined include the Federal USDA-Food and Nutrition Services Account, the Federal Health and Human Services Account, the Federal Education Account, the Federal HHS Block Grant Account, the Federal Operating Grants Account, the Unemployment Insurance Administration Account, the Unemployment Insurance Occupational Training Account and the Federal Employment and Training Grants Account.

General Debt Service Fund—accounts for the payment of principal and interest on the State's general debt, the payments on certain lease/purchase or other contractual obligations, and transactions related to the Tobacco Settlement Financing Corporation.

Other Governmental Funds—is a summarization of all the non-major governmental funds.

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include the differing measurement focuses and bases of accounting between the statements. The Statement of Activities reflects the net costs of each major function of State operations, which differs from the presentation of expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds, which closely matches the State's budgetary (financial plan) presentation.

The State reports the following major Enterprise Funds:

Lottery Fund—accounts for lottery revenues that are earmarked for education assistance to local school districts, administrative costs of the Division of the Lottery and payment of lottery prizes.

Unemployment Insurance Benefit Fund—accounts for employer unemployment contributions utilized for the payment of unemployment compensation benefits.

SUNY Fund—accounts for the operation of the State University of New York (SUNY). Information reported in this fund is obtained from the audited financial statements prepared by SUNY for the fiscal year ended June 30, 2011.

CUNY Fund—accounts for the operation of the City University of New York (CUNY) Senior Colleges. Information reported in this fund is obtained from the audited financial statements prepared by CUNY for the fiscal year ended June 30, 2011.

Enterprise Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an Enterprise Fund's principal ongoing operations. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The Fiduciary Fund types of the State consist of the following:

Pension Trust Fund—accounts for the activities of the New York State and Local Retirement System, which accumulates resources for pension benefit payments to qualified public employees.

Private Purpose Trust Funds—are used to account for resources legally held in trust as escheat property and resources held in trust to facilitate savings for higher education expenses, pursuant to the New York State tuition savings program. There is no requirement that any portion of these resources be preserved as capital. Information reported for the tuition savings program is obtained from the audited financial statements prepared by the program for the fiscal year ended December 31, 2011.

Agency Funds—report those resources held by the State in a purely custodial capacity (assets equal liabilities).

Additionally, the State includes discretely presented component units:

Component Units—the public benefit corporations' financial statements, except for the State Insurance Fund, are prepared using the economic resources measurement focus and are accounted for on the accrual basis of accounting.

d. Cash and Investments

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments, which are reported at cost, including accrued interest, which approximates fair value. Non-interest-bearing compensating balances of $2 billion are included in cash and investments at March 31, 2012. At various times during the year, compensating balances could be substantially higher. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments. Additional information about the State's cash and investments is provided in Note 2.

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Cash equivalents are composed of liquid assets with maturities of 90 days or less. The Enterprise Funds Statement of Cash Flows uses the direct method of reporting cash flows.

All investments with a maturity of more than a year are recorded on the Statement of Net Assets and the balance sheet at fair value and all investment income, including changes in the fair value of investments, is reported as revenue. Investments of the short-term investment pool have a maturity of one year or less and are recorded at cost. Fair values were determined using market values at the applicable entities' year-end.

e. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Due from Federal government represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. Other receivables represent amounts owed to the State, including lottery revenues, Medicaid drug rebates, student loans, tobacco settlements, and patient fees of SUNY and Health Department hospitals and various mental hygiene facilities. Additional information about receivables is provided in Note 4.

f. Internal Balances

All outstanding balances between funds at the end of the fiscal year are referred to as "due to/from other funds" on the governmental fund financial statements. Generally, the effect of interfund activity within the governmental funds has been removed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." For the most part, the remaining difference is a result of different year-ends between the State and SUNY and CUNY.

g. Other Assets

Other assets in governmental activities include payments for costs applicable to future accounting periods, and other types of assets not reported on other lines. Inventories reported by the governmental funds are recorded as expenditures when they are purchased. Inventories reported by the Enterprise Funds are valued at cost using the first-in/first-out (FIFO) method.

h. Capital Assets

Capital assets are reported in the government-wide Statement of Net Assets and further disclosed in Note 5. Capital assets include: land in urban centers, rural areas and forest preserves; land improvements; land preparation-roads; buildings which house State offices, correctional facilities, hospitals and educational facilities; equipment used in construction work, hospitals, offices, etc.; construction in progress; intangible assets (i.e., easements and internally generated software); and infrastructure assets such as roads and bridges. Capital assets are reported at historical cost or estimated historical cost and donated capital assets are valued at their estimated fair market value at the date of donation.

Equipment that has a cost in excess of $40 thousand at the date of acquisition and has an expected useful life of two or more years is capitalized. All initial building costs and building improvements and land and land improvements in excess of $100 thousand are capitalized. Infrastructure assets in excess of $1 million are also capitalized. Software is capitalized when the costs exceed $1 million. The State chose the option in GASBS No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, of not recording non-major infrastructure assets at transition except for Department of Transportation (DOT) infrastructure assets. Therefore, non-DOT infrastructure assets acquired prior to April 1, 2002 were deemed to be non-major relative to total infrastructure and are not reported. However, prospective reporting of non-DOT depreciable infrastructure acquired subsequent to April 1, 2002 is included in the capital asset balances at March 31, 2012.

The costs of normal repairs and maintenance that do not add to the value or extend lives of assets materially are not capitalized, but are reported as expenses in the year incurred. Expenses relating to roads and bridges that add to the capacity and efficiency of the road and bridge networks are not expensed but are capitalized. All maintenance and preservation costs relating to roads and bridges will be expensed and not capitalized.

Buildings, land improvements, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities (Years)	Business-type Activities (Years)
Buildings and building improvements	12-60	3-50
Equipment and vehicles	4-30	3-50
Land improvements	12-30	3-50
Intangibles—easements	20	3-50
Intangibles—computer software	10-12	3-50

Land preparation reflects the costs of preparing the land for the construction of roads. Since land preparation has an indefinite life, associated costs are not depreciated.

The State has elected to use the modified approach for reporting and accounting for its highways and bridges reported by DOT. The modified approach requires the State to commit to preserving and maintaining these infrastructure assets at levels established by DOT. No depreciation expense is reported for these assets and no amounts are capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. DOT maintains an inventory of these assets and performs periodic condition assessments to ensure that the predetermined condition level is maintained. Refer to the Required Supplementary Information (RSI) for additional information regarding infrastructure using the modified approach.

Capital asset reporting does not include historical artifacts, artwork and collections that are maintained by various State agencies, the State Archives, State Museum and State Library. These items are protected and preserved, held for public exhibition and educational purposes, and the proceeds from the sale of items are used to acquire new items for the collection.

Capital assets in business-type activities and Enterprise Funds are from SUNY and CUNY. These capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. SUNY capitalizes building renovations and additions costing over $100 thousand, equipment items with a unit cost of $5 thousand or more, intangible assets for internally generated computer software costing $1 million or more and other intangible assets costing over $100 thousand. SUNY reports all artwork, historical treasures and library books. CUNY capitalizes renovations and improvements that significantly increase the value or extends the useful lives of the structures and equipment with a cost of more than $5 thousand and useful lives of two or more years. CUNY reports intangible assets, artwork, historical treasures and library books with a unit cost of more than $5 thousand. SUNY and CUNY capital assets, with the exception of land, construction in progress and works of art and historical treasures, are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from 3 to 50 years.

i. Long-Term Obligations

In the government-wide financial statements and Enterprise Funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Assets. Bond premiums, discounts, issuance costs and deferred loss on refunding are deferred and amortized over the life of the bonds using the straight-line method for governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as non-personal service expenditures.

j. Compensated Absences

The estimated vacation leave liability for State employees at March 31, 2012 is $861 million and represents a decrease of $7 million over the prior year. State employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days per year, but may accumulate no more than a maximum of 40 days.

SUNY employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 21 days per year and may accumulate no more than a maximum of 40 days. CUNY employees accrue vacation leave based upon the number of years employed, with the maximum accumulation generally ranging from 45 to 50 days. The liability for vacation leave approximated $242 million and $75 million for SUNY and CUNY, respectively, at June 30, 2011.

CUNY employees may receive payments of up to 50 percent of the value of their accumulated sick leave as of the date of retirement from CUNY. CUNY reported a liability of $31 million for sick leave credits in accrued liabilities as of June 30, 2011.

Lottery's employees, upon termination, may receive vacation pay benefits up to a maximum of 30 days. Lottery recognizes employees' compensated absence benefits when earned. The liability for employees' compensated absences was approximately $2.5 million as of March 31, 2012.

k. Accounting for Lease Purchase and Other Financing Arrangements

The construction of certain State office buildings, campus facilities and other public facilities has been financed through bonds and notes issued by public benefit corporations pursuant to lease/purchase and other financing arrangements with the State. The State has also entered into financing arrangements with public benefit corporations that have issued bonds to finance past State budgetary deficits and grants to local governments for both capital and operating purposes (see Note 7).

These lease/purchase and other financing arrangements, which the State will repay over the duration of the agreements, constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes. Reporting relative to capitalized interest is not included for leased capital assets.

l. State Lottery

The State Lottery is accounted for within an Enterprise Fund. The revenues, administrative costs, aid to education and expenses for amounts allocated to prizes are reported, and uncollected ticket sales at March 31, 2012 are accrued. Prize monies to meet long-term prize payments are invested in United States government-backed obligations, New York City municipal bonds and Agency for International Development Bonds, and are recorded at fair value. Lottery prize liabilities are recorded at a discounted value equivalent to the related investments. At March 31, 2012, the prize liabilities of approximately $2.4 billion were reported at a discounted value of approximately $1.5 billion (at interest rates ranging from 0.02 percent to 8.94 percent).

m. Net Assets

Net assets are reported as restricted when constraints placed on net asset use are either:

a. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or

b. Imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge or otherwise mandate payment of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups or the judiciary) can compel the government to honor. When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

At March 31, 2012, the Governmental Activities reported restricted net assets of $3.2 billion due to restrictions imposed by enabling legislation. This included $2.5 billion restricted for debt service payments from various capital reserve funds, and $649 million restricted for other purposes (details of the restricted nets assets are available in section n of Note 1).

The following terms are used in the reporting of net assets:

Debt Service
Net assets restricted for the payment of future debt service payments from various capital reserve funds.

Higher Education
Net assets restricted for funding of various higher education instruction, research, scholarships, and operations.

Insurance and Administrative Requirements
Net assets restricted for payment of costs related to the payment of mortgage insurance.

Other Purposes
Net assets restricted for the funding of various mass transportation projects, environmental remediation projects, payment of future lottery prizes, and various other legally restricted funds.

Unrestricted Net Asset (Deficit)
Unrestricted net asset (deficit) is the amount by which liabilities exceed the total assets of the State less net assets invested in capital assets net of related debt and those restricted net assets described above.

n. Fund Balance

The difference between fund assets and liabilities is "Net Assets" on government-wide, proprietary fund, component units and fiduciary fund financial statements and "Fund Balance" on governmental fund financial statements.

During the fiscal year ended March 31, 2012, the State implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, resulting in significant changes in the State's fund structure.

Fund Balance Hierarchy
Fund balance for governmental funds is now reported in the following classifications which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

The nonspendable fund balance includes amounts that cannot be spent because (a) they are either not in spendable form or (b) are legally or contractually required to remain intact.

Restricted fund balances have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the State of New York through establishment of laws of the State, and by bills passed by the Legislature and approved by the Governor of the State of New York, or any contracts approved by authorized State Officials that are known to have their liability satisfied with the current fund balance. Commitments may be changed or lifted only by taking the same formal action that originally imposed the constraint.

Assigned fund balances are constrained by the intent to use amounts for specific purposes, but are neither restricted nor committed. The Director of the Budget is authorized to assign amounts to a specific purpose through the approval of budget certificates as required by statute.

Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report a positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted or committed to those purposes.

For classification of governmental fund balances, the State considers expenditures to be made from the most restricted resources first, then in the following order: committed, assigned, and unassigned resources.

Reserve Accounts

Tax Stabilization Reserve Account

The authority for establishing the Tax Stabilization Reserve Account is in State Finance Law Section 92. The account was established in 1984.

At the close of each fiscal year, any surplus funds up to 0.2 percent of one percent of the "norm" shall be transferred to the Tax Stabilization Reserve Account, up to 2 percent of the "norm." The norm is the aggregate amount disbursed from the State Purposes Account during the fiscal year.

In any given fiscal year, when receipts fall below the norm, funds shall be transferred from the Tax Stabilization Reserve Account to the State Purposes Account, in an amount equal to the difference between the norm and the receipts, to the extent that funds are available in the Tax Stabilization Reserve Account. Money in the Tax Stabilization Reserve Account may be temporarily loaned to the State Purposes Account during the year in anticipation of the receipt of revenues, but these funds must be repaid within the same fiscal year.

The balance in the Tax Stabilization Reserve Account at March 31, 2012 is $1.1 billion.

Rainy Day Reserve Account

The authority for establishing the Rainy Day Reserve Account is in State Finance Law Section 92-cc. The account was established in 2007.

Funds deposited to this account are transferred from the State Purposes Account. The maximum balance in this account will not exceed 3 percent of the aggregate amount projected to be disbursed from the State Purposes Account during the fiscal year immediately following the current fiscal year.

The amounts in this account can be spent for two reasons:

a. In the event of an economic downturn, as evidenced by a composite index of business cycle indicators prepared by the Commissioner of Labor. If the index declines for five consecutive months, the Commissioner of Labor shall notify the Governor, the Speaker of the Assembly, the Temporary President of the Senate and the minority leaders of the Assembly and the Senate. Upon such notification, the Director of Budget may authorize the Comptroller to transfer funds from the Rainy Day Reserve Account.

b. A catastrophic event, i.e. the need to repel invasion, suppress insurrection, defend the State in war, or to respond to any other emergency resulting from a disaster, including but not limited to a disaster caused by an act of terrorism.

The balance in the Rainy Day Reserve Account at March 31, 2012 is $175 million.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. These amounts generally will become liabilities in future periods as the construction work is performed by the contractors.

Significant encumbrances at March 31, 2012 include (in millions):

Fund Type	Amount
General	$ 889
Federal Special Revenue	1,242
General Debt Service	0
Other Special Revenue	133
Other Debt Service	2
Other Capital Projects	6,681

	Major Funds			
	General Fund	Federal Special Revenue	General Debt Service	Other Funds
Restricted for:				
Health and environment	$ —	$ 5	$ —	$ 37
Transportation	—	—	—	358
General government	—	26	—	62
Debt	—	—	1,916	589
Capital purposes	—	—	—	158
Committed to:				
Health and environment	—	—	—	136
Medical assistance	—	—	—	779
Public safety	—	—	—	186
Transportation	—	—	—	335
General government	8	—	—	79
Debt	—	—	26	568
Mental hygiene	5	—	—	300
Capital purposes	—	—	—	1,306
Fund reserves	554	—	—	—
Assigned to:				
Education	13	—	—	—
Health and environment	10	—	—	14
Public welfare	16	—	—	—
General government	1,535	—	—	1,758
Unassigned	(4,009)	—	—	(375)
Total fund balance	**$ (1,868)**	**$ 31**	**$ 1,942**	**$ 6,290**

o. Post-Retirement Benefits

Other postemployment costs are measured and disclosed using the accrual basis of accounting in the government-wide statements (see Note 13). In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the State and the retired employee. The State, including the Lottery, recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary. During the year, approximately $10.5 million was paid on behalf of 3,515 retirees and recorded as an expenditure in the General Fund.

p. Deficit Fund Balances

As of March 31, 2012, fund deficits were reported in the following Capital Projects Funds: the Housing Program Fund ($121 million), and the Hazardous Waste Remedial Fund ($122 million). The deficits related to the Capital Projects Funds are the result of differences in cash flow timing relating to the reimbursement of capital project costs and contractual commitments from bond proceeds, and are routinely resolved during subsequent fiscal years. The ENCON Special Revenue Fund ($29 million) and the Mass Transportation Operating Assistance Fund ($92 million), both of which are Special Revenue Funds, also had fund deficits. The deficits are the result of timing differences between the receipt of cash and the transfer of funds to finance operating expenditures.

q. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

r. Adoption of New Accounting Pronouncements and Restatements

During the fiscal year ended March 31, 2012, the State adopted the following new accounting standards issued by the GASB:

GASBS No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* (GASBS 54) establishes uniform reporting standards to reduce inconsistencies in the financial reporting of fund types and promotes uniform definitions of fund balance classifications. This statement improves the comparability of the accounting and financial reporting of such information among state and

local governments. GASBS 54 provides guidance regarding the definitions of fund types and fund classification. Adoption of this standard resulted in a shift of $4 million in the beginning fund balance from Other Governmental Funds—Special Revenue Funds to the General Fund. There was no material impact on the financial statements. Please refer to the disclosure in section n of this note for the results of the application of this statement.

Note 2 Cash and Investments

Information on cash and investments of the Pension Trust Fund is presented in Note 12.

Governmental Activities, Private Purpose and Agency Funds

Deposits

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Cash deposits in the State Treasury are under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Cash balances not required for immediate use are invested in a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian to maximize interest earnings. Cash is invested in repurchase agreements involving United States Treasury obligations, United States Treasury bills, commercial paper, government sponsored agencies, and certificates of deposit. Cash deposits not held in the State Treasury are under the sole custody of a specified State official and are generally held in interest-bearing accounts. Both the State Comptroller and the Commissioner of Taxation and Finance are sole custodians of certain accounts.

The custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For demand accounts, checking accounts and certificates of deposit, the State requires that its depository banks pledge collateral or provide a surety bond based on actual and average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State and are valued on a monthly basis. Surety bonds will be accepted only from AAA rated insurance companies. The use of average daily available balances to determine collateral requirements may result in the available balances being under-collateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the monies are available within the banking system, which limits under-collateralization. The State's cash deposits with financial institutions had a book and bank balance of $5.7 billion and were fully collateralized at fiscal year-end. Included in these balances were certificates of deposit held in the STIP with a book and bank balance of $3.1 billion. Additional deposits, with a book and bank balance of $31.7 million, were held by the State's fiscal agent and were fully collateralized except for $1.3 million in deposits that were exposed to custodial credit risk because they were uninsured and uncollateralized.

For the fiscal year ended March 31, 2012, the average daily balance of the STIP was $7.6 billion, with an average yield of 0.1 percent and total investment income of $11.5 million.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP, which is used for the temporary investment of funds not required for immediate payments, and sole custody funds administered by the Department of Taxation and Finance.

Investments are made in accordance with State Finance Law and vary by fund but generally include: obligations of, or guaranteed by, the United States; obligations of New York State and its political subdivisions; certificates of deposit; savings bank trust company notes; bankers' acceptances; repurchase agreements; corporate bonds; and commercial paper.

As of March 31, 2012 (except for the Tuition Savings Program, which is as of December 31, 2011), the State had the following investments and maturities (amounts in millions):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury bills	$ 1,237	$ 1,237	$ —	$ —	$ —
U.S. Treasury notes/bonds	944	804	140	—	—
U.S. Treasury strips	313	257	56	—	—
Government sponsored agencies	2,256	2,236	20	—	—
Repurchase agreements	242	242	—	—	—
Commercial paper	887	887	—	—	—
Certificates of deposit	173	173	—	—	—
Money market funds	109	109	—	—	—
Forward purchase agreements	57	—	—	—	57
Other	172	150	1	—	21
Subtotal	**6,390**	**$ 6,095**	**$ 217**	**$ —**	**$ 78**
Mutual fund equities	12,075				
Investments held in an agent or trust capacity	436				
Total	**$ 18,901**				

Included in the table are securities which either were not acquired for investment purposes or cannot be classified or categorized, and are being held by the State in an agent or trust capacity. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the Chairman of the Workers' Compensation Board. Acting as an agent for the employers, the State holds these securities (carrying amount $41 million, which approximates fair value) only as an agent for the employers. Securities that are unclaimed at financial institutions are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures. These securities had a carrying amount and fair value of $352 million at March 31, 2012. The State holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and fair value of $43 million).

In addition to the securities held by the Workers' Compensation Board noted above, the State holds $3.3 billion in surety bonds and letters of credit that are not included in the table above.

Credit Risk

State law limits investments in commercial paper, repurchase agreements and corporate bonds to the highest ratings issued by two nationally recognized statistical rating organizations (NRSROs). Investments in commercial paper and repurchase agreements are limited to a rating of A-1 by Standard & Poor's Corporation (S&P) and P-1 by Moody's Investors Service, Inc. (Moody's). If an investment in commercial paper drops in rating below the legal requirements during the year, the State investment staff would consult with appropriate advisors to determine what action, if any, should be taken. Repurchase agreements are collateralized with U.S. Treasury obligations. Investments in money market funds are unrated.

The Tuition Savings Program, a Private Purpose Trust Fund, has certain underlying mutual funds invested in fixed income securities which are subject to classification of risk under GASBS No. 40, *Deposit and Investment Risk Disclosures*. Investing in fixed income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields, and share price fluctuations due to changes in interest rates. The underlying mutual funds in which the Tuition Savings Program invests are not rated by any NRSRO. Certain mutual funds in the Tuition Savings Program invest primarily in bonds rated Ba or B by Moody's, or BB or B by S&P. These lower rated bonds, commonly referred to as "junk bonds," are subject to greater credit risk, and are generally less liquid than higher-rated, lower yielding bonds.

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held either by: (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The risk is that the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. The State's policy is to hold all of its investments in the State's name; however, the investments listed below are exposed to custodial credit risk because they are not held by the State but are held by a public benefit corporation in the public benefit corporation's name or administered by a fiscal agent on behalf of New

York State. The following table presents the fair value of investments by type (amounts in millions):

Investment Type	Fair Value
U.S. Treasury bills	$ 866
U.S. Treasury notes	586
Government sponsored agencies	2,256
Money market	109
Repurchase agreements	23
Forward purchase agreements	57
Other	169
Total	**$ 4,066**

Interest Rate Risk

The fair values of the State's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

The State manages its interest rate risk by limiting the majority of its investments to a maturity structure of one year or less. Additionally, the State holds its investments to maturity, which minimizes the occurrence of a loss on an investment.

The State's investments in mutual funds and equity securities have no stated maturity and have not been allocated on the preceding table to a time period.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investment in a single issuer (five percent or more of total investments). To mitigate this risk, it is the policy of the State to maintain a diversified portfolio among a variety of investment instruments in which it is legally permitted to invest.

Foreign Currency Risk

The State Finance Law, Section 98-a, does not expressly permit investment in foreign currency and there is no formal policy related to foreign currency; however, the Tuition Savings Plan has certain underlying mutual funds which invest in foreign securities. There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities.

Business-type Activities

Deposits

SUNY does not have a formal policy for collateral requirements for cash deposits. At June 30, 2011, SUNY had $1.4 billion in deposits held by the State Treasury, invested in the STIP, and $128 million held by other local depositories. Deposits not held in the State Treasury that are not covered by depository insurance are: uncollateralized ($47 million); collateralized with securities held by a pledging financial institution ($25 million); or collateralized with securities held by a pledging financial institution's trust department or agency, but not in SUNY's or an affiliate's name ($17 million). SUNY also has $59 million in cash and cash equivalents deposited with trustees, which are registered in SUNY's name and held by an agent or in trust accounts in SUNY's name.

CUNY's cash and cash equivalents were held by depositories and amounted to $590 million, of which $57 million was insured and $533 million was uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in CUNY's name. CUNY also held $3 million of restricted cash in escrow relating to loan agreement requirements and tenant security deposits.

Lottery deposits are made in accordance with State Finance Law and State Tax Law. At March 31, 2012, Lottery had $386 million in deposits held by the State Treasury, which were invested in the STIP.

The Unemployment Insurance Benefit Fund has a total of $69 million in a sole custody bank account, which is on deposit with the State Comptroller and invested in the STIP, and is subject to the same collateralization requirements as the State.

Investments

Generally, SUNY and CUNY are allowed to invest in a diverse investment portfolio. Permitted investments include, but are not limited to, obligations of the U.S. Government and its agencies, municipal debt securities, repurchase agreements, corporate bonds, commercial paper, equity securities, mutual funds, asset-backed securities, money market funds and security lending transactions.

The Lottery is authorized by State statute to invest in U.S. Government-backed obligations and New York City municipal bonds that provide for payment of prizes payable.

As of June 30, 2011 (except for the State Lottery which is as of March 31, 2012), the business-type activities had the following investments and maturities (amounts in millions):

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1-5	6-10	More than 10
Municipal bonds	$ 530	$ 42	$ 129	$ 133	$ 226
Aid bonds	552	44	135	139	234
U.S. Treasury strips	533	67	123	128	215
U.S. Treasury bills	624	623	1	—	—
U.S. Treasury notes/bonds	258	237	21	—	—
Government sponsored agencies	251	233	17	—	1
U.S. agency mortgage-backed securities	212	212	—	—	—
Corporate bonds	61	15	40	5	1
Mutual fund non-equities	57	1	2	54	—
International fund non-equities	28	6	16	3	3
Asset-backed securities	5	—	—	3	2
U.S. Government TIPS	4	—	1	—	3
Certificates of deposit	3	2	1	—	—
Repurchase agreements	1	1	—	—	—
Subtotal	**3,119**	**$ 1,483**	**$ 486**	**$ 465**	**$ 685**
Corporate stocks	287				
Equity securities	268				
Cash equivalents	231				
Money market funds	128				
Alternative investments	99				
Mutual fund equities	89				
International stocks	42				
International mutual fund equities	25				
Other	48				
Total	**$ 4,336**				

Credit Risk

Generally, SUNY individual fixed income investment securities must be of investment grade. SUNY maintains a portfolio that possesses an overall weighted average rating by Moody's and S&P of at least A. Private placement securities must be rated A3 or higher by Moody's or A- or higher by S&P. Parameters exist that allow some limited investments in non-investment grade securities; however, investments rated below B3 by Moody's or B- by S&P are prohibited.

CUNY's investment policy requires that the overall average quality of each fixed income portfolio be AA or higher. Non-rated issues or issues below investment grade (BBB) may be purchased up to a maximum of 15 percent of the portfolio. CUNY's policy does not otherwise place formal limitations on credit risk. CUNY's investment policy specific to the CUNY Investment Pool includes specific guidelines for investment managers with a target allocation to fixed income of 25 percent and is invested in a bank commingled fund. The Pool contains securities with an Average Quality Rating of AA2, with no securities with ratings below Baa, according to the Barclays Capital US Government/Credit Index.

As of June 30, 2011 (except for the State Lottery, which is as of March 31, 2012), the business-type activities had the following investments with ratings (amounts in millions):

Investment Type	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Municipal bonds	$ 527	$ 1	$ 1	$ 1	$ —	$ —	$ —	$ —
Aid bonds	552	—	—	—	—	—	—	—
Mutual fund non-equities	44	4	—	—	—	—	—	9
Asset-backed securities	1	—	—	1	1	—	—	2
Corporate bonds	10	3	26	13	1	3	2	3
U.S. agency mortgage-backed securities	212	—	—	—	—	—	—	—
Government sponsored agencies	210	—	—	—	—	—	—	41
Repurchase agreements	—	—	—	—	—	—	—	1
International fund non-equities	5	5	11	2	1	—	—	4
Total	**$ 1,561**	**$ 13**	**$ 38**	**$ 17**	**$ 3**	**$ 3**	**2**	**$ 60**

Custodial Credit Risk

At June 30, 2011, SUNY had $784 million in cash and investments held by the Dormitory Authority of the State of New York (DASNY), which represents bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. These cash and investments are registered in SUNY's name and held by an agent or in a trust in SUNY's name. SUNY's investment policy does not formally address custodial credit risk.

At June 30, 2011, CUNY had $712 million in investments held by DASNY or the bond trustee, not in CUNY's name. CUNY's policy for deposits of the CUNY Investment Pool does not allow for participation in programs that have uninsured investments held by counterparties and uses specific monitor initiatives for investments as a means of limiting custodial credit risk. CUNY's investment policy does not formally address custodial credit risk for investments not included in the Investment Pool.

Interest Rate Risk

SUNY has policies in place that limit fixed income investment duration within certain benchmarks, and a highly diversified portfolio is maintained which limits interest rate exposure. CUNY's investment policy for the CUNY Investment Pool specifies that its fixed income investments are made in long-term, non-callable, or call-protected high quality bonds. CUNY's investment policy does not otherwise formally limit investment maturities as a means of managing exposure to fair market value losses arising from increased interest rates. The Lottery's policy for managing interest rate risk is to hold investment securities to maturity, at which time the fair value of the investment is equal to the stated maturity value.

Foreign Currency Risk

SUNY has no formal policy related to foreign currency risk; however, their primary means of control is placing limits on non-U.S. categories of investments. SUNY's exposure to foreign currency risk for investments held at June 30, 2011, by currency denomination, was as follows (amounts in millions):

Currency	Fair Value
Euro	$ 10
Japanese Yen	7
British Pound Sterling	5
Hong Kong Dollar	4
South Korean Won	3
Taiwanese Dollar	2
Brazilian Real Cruzeiro	2
Other	11
Total	**$ 44**

Investment Pool

CUNY has certain assets included with investments in the accompanying financial statements, which are pooled on a fair value basis, with each individual fund subscribing to or disposing of units on the basis of the fair value per unit determined quarterly. At June 30, 2011, the investment pool consisted of 157.4 million units with a fair value of $157.4 million.

Note 3 Taxes Receivable and Tax Refunds Payable

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 2011 calendar year and the first quarter of the 2012 calendar year, including prior year assessments for underpayments, penalties and interest. Taxes receivable are accrued when they become both measurable and available, based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported as income is earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments that relate to the first quarter of the 2012 calendar year, payments with final returns which relate to the 2011 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables, which include sales tax due through March 31, 2012 and assessments which relate to prior tax periods.

General business tax revenues are reported as businesses earn income. General business tax receivables are comprised of estimated tax payments, payments remitted with final returns, and assessments.

Other taxes receivable are comprised of estate and gift taxes, real property gains taxes, real estate transfer taxes, metropolitan commuter transportation mobility taxes and assessments.

Taxes receivable at March 31, 2012 for the governmental funds totaled $11.7 billion. The following table summarizes taxes receivable by major tax type for the governmental funds (amounts in millions):

	General	General Debt Service	Other Governmental Funds	Total Governmental Funds
Current taxes receivable:				
Personal income	$ 6,542	$ 2,213	$ —	$ 8,755
Consumption and use	649	—	410	1,059
Business	484	—	65	549
Other	841	—	188	1,029
Subtotal	**8,516**	**2,213**	**663**	**11,392**
Long-term taxes receivable:				
Personal income	199	66	—	265
Consumption and use	47	—	17	64
Business	130	—	—	130
Other	134	—	—	134
Subtotal	**510**	**66**	**17**	**593**
Allowance for uncollectibles	(264)	(16)	(24)	(304)
Total	**$ 8,762**	**$ 2,263**	**$ 656**	**$ 11,681**

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 2011 calendar year and first quarter 2012 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount of PIT refunds payable are comprised of estimates of overpayments of the first calendar quarter (2012) tax liability and payments of 2011 calendar and prior year refunds. The remaining portion of tax refunds payable are comprised of payments made subsequent to the end of the fiscal year and estimates of a remaining refund liability.

Tax refunds payable at March 31, 2012 are summarized as follows (amounts in millions):

	Current			Total	
	General	General Debt Service	Other Governmental Funds	Current	Long-term
Governmental Activities:					
Personal income	$ 5,385	$ 1,753	$ —	$ 7,138	$ 416
Consumption and use	74	—	45	119	263
Business	1,620	—	219	1,839	391
Other	57	—	4	61	24
Total	**$ 7,136**	**$ 1,753**	**$ 268**	**$ 9,157**	**$ 1,094**

Note 4 Other Receivables

Other receivables at March 31, 2012 are summarized as follows (amounts in millions):

	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total Governmental Activities
Governmental Activities:					
Other current receivables:					
Public health/patient fees	$ 1	$ —	$ —	$ 525	$ 526
Medicaid	1,144	413	—	—	1,557
Tobacco settlement	—	—	397	—	397
Miscellaneous agency	97	—	—	5	102
Oil spill	—	—	—	112	112
Workers' compensation	—	—	—	166	166
Other	92	37	—	22	151
Subtotal	**1,334**	**450**	**397**	**830**	**3,011**
Other long-term receivables:					
Public health/patient fees	—	—	—	64	64
Medicaid	64	135	—	—	199
Appropriated loans	21	—	—	209	230
Miscellaneous agency	55	—	—	18	73
Oil spill	—	—	—	74	74
Other	—	—	—	63	63
Subtotal	**140**	**135**	**—**	**428**	**703**
Gross receivables	**1,474**	**585**	**397**	**1,258**	**3,714**
Allowance for uncollectibles	(60)	(8)	—	(333)	(401)
Total receivables	**$ 1,414**	**$ 577**	**$ 397**	**$ 925**	**$ 3,313**

	Lottery	Unemployment Insurance Benefits	SUNY	CUNY	Total
Enterprise Funds:					
Other current receivables:					
Ticket sales	$ 466	$ —	$ —	$ —	$ 466
Public health/patient fees	—	—	678	—	678
Student loans	—	—	155	14	169
Contributions	—	2,856	—	—	2,856
Benefit overpayments	—	323	—	—	323
State agencies/municipalities	—	61	—	—	61
Other	5	61	381	193	640
Subtotal	**471**	**3,301**	**1,214**	**207**	**5,193**
Allowance for uncollectibles	(1)	(1,184)	(222)	(41)	(1,448)
Net current receivables	**470**	**2,117**	**992**	**166**	**3,745**
Other long-term receivables:					
Accounts, notes and loans	—	—	134	43	177
Contributions	—	—	15	—	15
Other	—	—	—	1	1
Allowance for uncollectibles	—	—	(23)	(22)	(45)
Net long-term receivables	**—**	**—**	**126**	**22**	**148**
Total receivables	**$ 470**	**$ 2,117**	**$ 1,118**	**$ 188**	**$ 3,893**

Other receivables, in the tables above, include monies advanced in the form of loans from the governmental funds to finance the operations, construction or debt service of local governments and public benefit corporations. The appropriation bills authorizing these loans provide that the advanced amounts will be repaid pursuant to repayment agreements. The loans are reported net of estimated uncollectible amounts and as a reservation of fund balance (other purposes).

Note 5 Capital Assets

Capital asset activity for the year ended March 31, 2012 was as follows (amounts in millions):

	Balance April 1, 2011	Additions	Retirements	Balance March 31, 2012
Governmental Activities:				
Depreciable and amortizable assets:				
Buildings and building improvements	$ 10,144	$ 348	$ 20	$ 10,472
Land improvements	556	25	—	581
Infrastructure	234	16	—	250
Equipment	743	57	45	755
Intangible assets—easements	193	1	—	194
Intangible assets—computer software	32	32	—	64
Total depreciable and amortizable assets	**11,902**	**479**	**65**	**12,316**
Less accumulated depreciation and amortization:				
Buildings and building improvements	(5,581)	(303)	(8)	(5,876)
Land improvements	(348)	(21)	—	(369)
Infrastructure	(33)	(9)	—	(42)
Equipment	(489)	(51)	(42)	(498)
Intangible assets—easements	(5)	(10)	—	(15)
Intangible assets—computer software	(1)	(5)	—	(6)
Total accumulated depreciation and amortization	**(6,457)**	**(399)**	**(50)**	**(6,806)**
Total depreciable and amortizable assets, net	**5,445**	**80**	**15**	**5,510**
Non-depreciable and non-amortizable assets:				
Land	3,755	78	9	3,824
Land preparation	3,314	116	—	3,430
Construction in progress (buildings)	477	300	240	537
Construction in progress (roads and bridges)	4,271	1,045	960	4,356
Construction in progress (computer software)	63	50	—	113
Infrastructure (roads and bridges)	65,451	698	223	65,926
Total non-depreciable and non-amortizable assets	**77,331**	**2,287**	**1,432**	**78,186**
Governmental activities, capital assets, net	**$ 82,776**	**$ 2,367**	**$ 1,447**	**$ 83,696**

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Business-type Activities:				
SUNY:				
Depreciable assets:				
Infrastructure and land improvements	$ 738	$ 47	$ 10	$ 775
Buildings	7,331	851	36	8,146
Equipment and library books	2,518	272	74	2,716
Total depreciable assets	**10,587**	**1,170**	**120**	**11,637**
Less accumulated depreciation:				
Infrastructure and land improvements	(366)	(30)	(10)	(386)
Buildings	(3,074)	(406)	(34)	(3,446)
Equipment and library books	(1,825)	(291)	(67)	(2,049)
Total accumulated depreciation	**(5,265)**	**(727)**	**(111)**	**(5,881)**
Total depreciable assets, net	**5,322**	**443**	**9**	**5,756**
Non-depreciable assets:				
Land	361	21	—	382
Construction in progress	1,379	1,083	663	1,799
Artwork	28	—	—	28
Total non-depreciable assets	**1,768**	**1,104**	**663**	**2,209**
SUNY capital assets, net	**7,090**	**1,547**	**672**	**7,965**
CUNY:				
Depreciable and amortizable assets:				
Buildings and building improvements	3,564	294	13	3,845
Land improvements	55	—	2	53
Equipment	393	51	27	417
Infrastructure	117	6	—	123
Intangible assets	4	5	—	9
Total depreciable and amortizable assets	**4,133**	**356**	**42**	**4,447**
Less accumulated depreciation and amortization:				
Buildings and building improvements	(1,679)	(124)	—	(1,803)
Land improvements	(49)	—	(1)	(48)
Equipment	(314)	(41)	(23)	(332)
Infrastructure	(27)	(6)	—	(33)
Intangible assets	(1)	—	—	(1)
Total accumulated depreciation and amortization	**(2,070)**	**(171)**	**(24)**	**(2,217)**
Total depreciable and amortizable assets, net	**2,063**	**185**	**18**	**2,230**
Non-depreciable assets:				
Land	233	—	—	233
Construction in progress	980	596	266	1,310
Artwork and historical treasures	8	—	—	8
Total non-depreciable assets	**1,221**	**596**	**266**	**1,551**
CUNY capital assets, net	**3,284**	**781**	**284**	**3,781**
Business-type activities, capital assets, net	**$ 10,374**	**$ 2,328**	**$ 956**	**$ 11,746**

For the year ended March 31, 2012, depreciation and amortization expense was charged to the following governmental functions (amounts in millions):

	Governmental Activities
Allocation of depreciation and amortization:	
Education	$ 4
Public health	126
Public welfare	12
Public safety	123
Transportation	34
Environment and recreation	29
Support and regulate business	1
General government	70
Total depreciation and amortization expense	**$ 399**

For the year ended June 30, 2011, depreciation and amortization expense was charged to the following business-type functions (amounts in millions):

	Business-type Activities
Allocation of depreciation and amortization:	
SUNY	$ 440
CUNY	174
Total depreciation and amortization expense	**$ 614**

Note 6 Bonds Payable

General obligation bonds are backed by the full faith and credit of the State and constitutionally must be repaid in equal annual principal installments or substantially level or declining debt service payments beginning not more than one year after issuance of such bonds. They mature within 40 years after issuance. The Debt Reform Act of 2000 further limits the maximum term of new State-supported debt issued on and after April 1, 2000, including general obligation bonds, to a maximum term of 30 years. Refer to Note 7 for further discussion of the Debt Reform Act of 2000.

Changes for the year in bonds payable were as follows (amounts in millions):

Purpose	Outstanding March 31, 2011	Issued	Redeemed	Outstanding March 31, 2012
Accelerated capacity and transportation improvements of the 1990s	$ 458	$ —	$ 87	$ 371
Clean water/clean air	746	26	77	695
Environmental quality:				
Land acquisition	39	—	6	33
Solid waste management	422	9	62	369
Environmental quality protection:				
Air	15	—	4	11
Land and wetlands	32	—	7	25
Water	98	—	14	84
Housing:				
Low income	42	—	8	34
Middle income	37	—	6	31
Pure waters	75	2	10	67
Rail preservation	8	—	3	5
Transportation capital facilities:				
Mass transportation	9	—	5	4
Aviation	19	—	3	16
Energy conservation through improved transportation	16	—	4	12
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, and bridges	3	—	—	3
Rapid transit, rail, and aviation	19	—	2	17
Rebuild and Renew New York transportation:				
Highway facilities	698	101	35	764
Canals and waterways	12	4	1	15
Aviation	45	—	2	43
Mass transit—DOT	14	—	1	13
Mass transit—MTA	640	188	22	806
Rail and port—DOT	78	—	2	76
Total	**$ 3,525**	**$ 330**	**$ 361**	**$ 3,494**

Debt service expenditures (principal and interest) related to the above general obligation bonds during the year were approximately $498 million. Federal subsidies related to the interest payments made during the year on Build America Bonds were $3.9 million. The total amount of general obligation bonds authorized but not issued at March 31, 2012 was $1.3 billion. At March 31, 2012, approximately $12 million of bonds defeased by refunding transactions in prior years remain outstanding.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund to the General Debt Service Fund, are as follows (amounts in millions):

Fiscal Year	Principal	Interest	Total
2013	$ 346	$ 141	$ 487
2014	315	129	444
2015	290	118	408
2016	267	107	374
2017	244	96	340
2018-2022	758	366	1,124
2023-2027	500	243	743
2028-2032	390	139	529
2033-2037	229	70	299
2038-2042	155	18	173
Total	**$ 3,494**	**$ 1,427**	**$ 4,921**

Debt service requirements on approximately $124 million in general obligation variable rate bonds were calculated using the variable rates in effect as of March 31, 2012, which ranged from 0.03 percent to 0.14 percent. Debt service requirements for fixed rate issues were calculated based upon actual rates ranging from zero percent to 6.02 percent.

Note 7 Obligations Under Lease/Purchase and Other Financing Arrangements

Governmental Activities Debt

The State has entered into contractual financing arrangements with certain public benefit corporations and other entities for various capital assets, local assistance payments and deficit financing. Under these agreements, generally construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the governmental funds). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as financing arrangements in the governmental funds). The State becomes the tenant of the facility under a lease/purchase agreement, which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as "service contract bonds") with certain public benefit corporations that have issued bonds to finance past State budgetary deficits, grants to local governments and various special project initiatives undertaken in partnership with private entities, including commercial enterprises, for both capital and operating purposes. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities.

Chapter 59 of the Laws of 2000 enacted the Debt Reform Act (Act) which applies to all new State-supported debt issued on and after April 1, 2000. The Act imposes statutory limitations which restrict the issuance of State-supported debt to capital purposes only and establishes a maximum term of 30 years for such debt. The Act also imposes phased-in caps that ultimately limit the amount of new State-supported debt (issued on and after April 1, 2000) to 4 percent of State personal income, and new State-supported debt service (on debt issued on and after April 1, 2000) to 5 percent of total governmental funds receipts. The Act requires the limitations be calculated by October 31st of each year using the new State-supported debt outstanding and new State-supported debt service from the previous fiscal year. For the fiscal year ended March 31, 2011, the cumulative debt outstanding and debt service caps were 4 and 4.32 percent. There was $32.8 billion of new State-supported debt outstanding applicable to the debt reform cap, which was about $4.8 billion below the statutory debt outstanding limitation. The debt service cost on this new debt was $3.1 billion, about $2.6 billion below the statutory debt service limitation. The Act does not apply to debt that is not considered State-supported and therefore does not encompass State-guaranteed debt, moral obligation debt, and contingent-contractual obligation financing such as the bonds issued by the Tobacco Settlement Financing Corporation (TSFC).

The State and some of its public authorities which issue debt on behalf of the State have purchased letters of credit and standby purchase agreements from various providers to ensure that the liquidity needs of variable rate demand bonds can be met. As of March 31, 2012, these agreements covered $2 billion of variable rate demand bonds outstanding, with costs ranging from 49 to 80 basis points of the amount of credit provided with expiration dates ranging from January 10, 2014 to December 31, 2015.

In 2003, the State enacted legislation creating the TSFC to finance a portion of its future revenues expected to be received under the 1998 Master Settlement Agreement (MSA) with the settling cigarette manufacturers. The future MSA revenues are to compensate the State for all claims for past, present, and future health care costs originating from health care expenses incurred by the State from the effects of cigarette smoking by its citizens. In accordance with the legislation, TSFC issued $4.6 billion in bonds to finance a payment of $4.2 billion to the State's General Fund, enabling it to finance a portion of the budget deficits occurring in fiscal years ending March 31, 2003 through March 31, 2005, to establish $449 million in debt service reserves, and to provide $129 million to finance a portion of the first debt service payments due on TSFC bonds. In accordance with the legislation, all future revenues from the 1998 MSA will be used to repay the debt until it is fully retired, after which all funds of TSFC will revert to the State. The State has agreed to make additional payments for TSFC debt service, subject to annual appropriation, from other sources if the future revenues prove insufficient to meet TSFC debt service requirements of the State.

In 2001, the State enacted legislation providing for the issuance of State Personal Income Tax Revenue Bonds (PIT) to be issued by several State public benefit corporations. The legislation provides that 25 percent of personal income tax receipts, excluding refunds owed to taxpayers, be deposited to the Revenue Bond Tax Fund which is an account of the General Debt Service Fund. These deposits are used to make debt service payments on PIT bonds, with excess amounts returned to the General Fund. In the event that the State Legislature fails to appropriate amounts required to make debt service payments on the PIT bonds, or if required payments have not been made when due, the legislation requires that deposits continue to be made to the Revenue Bond Tax Fund until amounts on deposit equal the greater of 25 percent of personal income tax receipts or $6 billion. Amounts in excess of that needed for current debt service are subsequently transferred to the General Fund. The first PIT bonds were issued on May 9, 2002 and approximately $23.1 billion were outstanding as of March 31, 2012.

Prior to 1996, certain payments due to the State's local government units in the first quarter of the State's fiscal year exceeded available State funds. To meet these payments in the past, the State issued short-term tax and revenue anticipation notes called the annual "Spring Borrowing". The New York Local Government Assistance Corporation (LGAC) was established in 1990 to issue up to $4.7 billion in long-term debt to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. Issuance of the entire $4.7 billion bond authorization as of March 31, 1996 eliminated the need for the State's annual Spring Borrowing. Pursuant to the legislation establishing LGAC, the State deposits an amount equal to a 1 percent rate of taxation of the total State sales and use tax collected into Other Governmental Funds (Local Government Assistance Tax Fund) to make payments to LGAC for debt service on its bonds and other expenses of LGAC. Amounts in excess of LGAC's needs are subsequently transferred to the General Fund. Payments to LGAC are subject to annual appropriations by the Legislature. LGAC's bondholders do not have a lien on monies deposited in the Local Government Assistance Tax Fund. Under current State statute, any issuance of bonds by LGAC in the future will be for refunding purposes only.

Chapter 62 and Chapter 63 of the Laws of 2003 enacted, among other provisions, the Municipal Assistance Refinancing Act (Act), effective July 1, 2003 and deemed repealed July 1, 2034. The Act created an incentive for the State to seek an appropriation to provide $170 million per year, from Other Governmental Funds (Local Government Assistance Tax Fund (Fund)) to the City of New York (City) for each of the City's fiscal years beginning July 1, 2003 and ending June 30, 2034. The Act requires LGAC to annually certify $170 million so that the State, subject to annual State appropriation by the legislature, can provide for a series of payments to the City or the Mayor's assignee in each City fiscal year, beginning July 1, 2003 and ending June 30, 2034, totaling $5.3 billion. Based on current law, until the legislature enacts an appropriation of $170 million, LGAC certifies the release of the funds, the $170 million State payment is made, and LGAC receives the amount it has certified for its needs, no excess sales tax receipts can be transferred from the Fund to the State's General Fund. During the fiscal year ended March 31, 2012, LGAC certified the release for the State payment of $170 million to the City.

Chapter 56 of the Laws of 1993 authorized the New York State Thruway Authority to issue up to $2.93 billion in bonds for State highway and bridge projects (the amount of authorized bonds has been raised three times, most recently in 2005, up to $16.5 billion). The bonds are secured and funded by a dedication of portions of the State's petroleum business tax, motor fuel tax, highway and fuel use tax, motor vehicle registration fees, auto rental tax, transmission and transportation tax and certain miscellaneous revenues.

Changes in lease/purchase and other financing arrangements for the year were as follows (amounts in millions):

Issuer	Outstanding April 1, 2011	Issued	Redeemed	Outstanding March 31, 2012
Public Benefit Corporations (PBCs):				
Dormitory Authority	$ 9,564	$ 1,071	$ 672	$ 9,963
Environmental Facilities Corporation	944	—	72	872
Housing Finance Agency	1,093	71	134	1,030
Local Government Assistance Corporation	3,330	184	395	3,119
Municipal Bond Bank Agency	395	—	26	369
Metropolitan Transportation Authority	2,062	—	56	2,006
Tobacco Settlement Financing Corporation	3,012	959	1,281	2,690
Triborough Bridge & Tunnel Authority	42	—	42	—
Thruway Authority	11,037	1,813	1,485	11,365
Urban Development Corporation	8,935	715	619	9,031
Total	**$ 40,414**	**$ 4,813**	**$ 4,782**	**$ 40,445**

Debt service expenditures (principal and interest) for the aforementioned obligations during the fiscal year were $4.7 billion. These expenditures were financed primarily by the revenues reported in the governmental funds. Federal subsidies related to the interest payments made during the year on Build America Bonds and Qualified School Construction Bonds were $80.3 million.

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts totaled $804 million at March 31, 2012 and are reported as cash and investments in the General Debt Service Fund and appropriate Other Governmental Funds, with a corresponding reservation of fund balance.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligation financing arrangements, including fixed rate interest at rates ranging from 0.5 percent to 6.8 percent and variable rate interest at rates ranging from 0.1 percent to 1.0 percent (amounts in millions):

Fiscal Year	Principal	Interest	Net Swap Amount	Total
2013	$ 2,837	$ 1,850	$ 51	$ 4,738
2014	2,776	1,768	50	4,594
2015	2,749	1,645	48	4,442
2016	2,721	1,500	46	4,267
2017	2,718	1,374	42	4,134
2018-2022	13,447	4,890	161	18,498
2023-2027	7,443	2,320	72	9,835
2028-2032	4,034	986	23	5,043
2033-2037	1,355	272	1	1,628
2038-2042	365	34	—	399
Total	**$ 40,445**	**$ 16,639**	**$ 494**	**$ 57,578**

Future debt service is calculated using rates in effect at March 31, 2012 for variable rate bonds. The net swap payment amounts were calculated by subtracting the future variable rate interest payment subject to swap agreements based on rates in effect at March 31, 2012 from the synthetic fixed rate amount intended to be achieved by the swap agreements.

The actual amounts of future interest to be paid are affected by changes in variable interest rates. The actual amounts of future net swap payments are also affected by changes in published indexes—the London Interbank Offered Rate (LIBOR) and the Securities Industry and Financial Markets Association (SIFMA), which are floating rates.

The State is also committed under numerous capital leases for computer network and telecommunications equipment. At the start of the fiscal year, the State was committed under two real property capital leases, however, during the fiscal year, these leases were refinanced through its public authorities by issuing refunding bonds. Debt service expenditures for capital lease obligations during the year were $3 million and will require future principal payments totaling $5 million. Following is a summary of the debt service

payments, some of which are financed by transfers from the General Fund to the General Debt Service Fund, for the remaining lease periods of these capital leases (amounts in millions):

Fiscal Year	Principal	Interest	Total
2013	$ 2	$ —	$ 2
2014	1	—	1
2015	1	—	1
2016	1	—	1
Total	**$ 5**	**$ —**	**$ 5**

Refunding

During the fiscal year ended March 31, 2012, the State, acting through its public authorities, refunded $2 billion in existing fixed and variable rate bonds related to lease/purchase and other financing arrangements by issuing refunding bonds in a par amount of $1.9 billion at a $207 million premium and releasing a net amount of $47 million from reserves and debt service accounts. The result will produce an estimated gain of $260 million in future cash flow, with an estimated present value gain of $212 million. The deferred accounting loss was $4 million. The impact of the refunding issues is presented in the following table (amounts in millions):

Issue Description	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain (Loss)
Thruway Authority General Highway and Bridge Trust Fund Bond Series 2011A-2	$ 38	$ 44	$ 2	$ 2
Thruway Authority General Highway and Bridge Trust Fund Bond Series 2012A	308	338	40	37
Thruway Authority Local Highway and Bridge Service Contract Bond Series 2012A	235	247	24	23
Dormitory Authority Department of Health Bond Series 2011A	48	51	6	5
Dormitory Authority Department of Health Veterans Home Bond Series 2011A	12	12	2	1
Housing Finance Agency Service Contract Revenue Bond Series 2011A*	71	81	(3)	(14)
Urban Development Corporation Service Contract Revenue Bond Series 2011A	12	14	1	1
Local Government Assistance Corporation Bond Series 2011A*	184	189	13	7
Tobacco Settlement Financing Corporation Bond Series 2011A	416	450	79	67
Tobacco Settlement Financing Corporation Bond Series 2011B	544	595	96	83
Total	**$ 1,868**	**$ 2,021**	**$ 260**	**$ 212**

**Current refundings undertaken to convert variable rate securities. Cash flow and present value gains (and losses) were based on assumed rates.*

In prior years, the State defeased certain of its obligations under lease/purchase and other financing arrangements, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. At March 31, 2012, approximately $2 billion of such defeased obligations were outstanding. The assets and liabilities related to these obligations are not reported in the accompanying basic financial statements.

Business-type Activities Debt

The State has issued bonds for educational facilities for SUNY and CUNY Senior Colleges through DASNY. Such debt, totaling $10.2 billion, is funded by payments from the State's General Fund. The remainder of the debt of SUNY and CUNY ($1.7 billion) is funded from student fees and other operating aid provided by the State.

The following represents year-end principal balances (June 30, 2011 for SUNY and CUNY and March 31, 2012 for Lottery) for lease/purchase and other financing arrangements for business-type activities (amounts in millions):

	Beginning Outstanding	Issued	Redeemed	Ending Outstanding
Dormitory Authority:				
SUNY Educational Facilities	$ 5,457	$ 1,128	$ 324	$ 6,261
SUNY Dormitory Facilities	1,044	128	32	1,140
CUNY Dormitory Facilities	3,347	867	322	3,892
Unamortized (discount)/premium	(6)	44	(5)	43
Total Dormitory Authority	**9,842**	**2,167**	**673**	**11,336**
Lottery Capital Lease Commitments	2	—	2	—
SUNY Capital Lease Commitments	228	210	79	359
CUNY Capital Lease and Mortgage Loan Commitments	148	—	4	144
CUNY Certificates of Participation	—	36	—	36
CUNY Oracle Financing Agreement	2	—	2	—
Total (See note 8)	**$ 10,222**	**$ 2,413**	**$ 760**	**$ 11,875**

The following represents a year-end summary at June 30, 2011 of future minimum debt service payments on the bonds issued by DASNY for SUNY, including interest rates ranging from 1.25 percent to 7.5 percent (amounts in millions):

Fiscal Year	Principal	Interest	Total
2012	$ 324	$ 376	$ 700
2013	335	362	697
2014	347	345	692
2015	355	326	681
2016	289	311	600
2017-2021	1,359	1,336	2,695
2022-2026	1,602	982	2,584
2027-2031	1,330	582	1,912
2032-2036	1,007	274	1,281
2037-2041	453	51	504
Total	**$ 7,401**	**$ 4,945**	**$ 12,346**

The following represents a year-end summary at June 30, 2011 of future minimum debt service payments on the bonds issued by DASNY for CUNY Senior Colleges, including interest rates ranging from 2 percent to 6.1 percent (amounts in millions):

Fiscal Year	Principal	Interest	Net Swap Amount	Total
2012	$ 198	$ 184	$ 14	$ 396
2013	169	179	14	362
2014	157	171	13	341
2015	152	163	13	328
2016	186	155	13	354
2017-2021	877	645	60	1,582
2022-2026	720	459	36	1,215
2027-2031	636	294	9	939
2032-2036	504	154	—	658
2037-2041	293	38	—	331
Total	**$ 3,892**	**$ 2,442**	**$ 172**	**$ 6,506**

The following represents a year-end summary at June 30, 2011 for SUNY and CUNY of future minimum debt service payments on capital lease commitments and mortgage loans payable for business-type activities (amounts in millions):

	SUNY		CUNY			Total		
Fiscal Year	Principal	Interest	Principal	Interest	Net Swap	Principal	Interest	Net Swap
2012	$ 76	$ 16	$ 8	$ 2	$ 2	$ 84	$ 18	$ 2
2013	64	14	8	1	2	72	15	2
2014	40	11	22	1	2	62	12	2
2015	32	10	62	1	2	94	11	2
2016	26	9	6	1	2	32	10	2
2017-2021	84	27	18	1	4	102	28	4
2022-2026	24	7	9	—	—	33	7	—
2027-2031	12	1	11	—	—	23	1	—
2032-2036	1	—	13	—	—	14	—	—
2037-2041	—	—	16	—	—	16	—	—
2042-2046	—	—	7	—	—	7	—	—
Total	**$ 359**	**$ 95**	**$ 180**	**$ 7**	**$ 14**	**$ 539**	**$ 102**	**$ 14**

The liabilities for lease/purchase debt, certificates of participation, mortgage loans and capital leases are reported as obligations under lease/purchase and other financing arrangements in the Enterprise Funds.

Debt service expenditures (principal and interest) for all of the aforementioned obligations during the year ended June 30, 2011 totaled $1.2 billion.

During SUNY's fiscal year ended June 30, 2011, PIT bonds were issued for the purposes of financing capital construction and major rehabilitation for educational facilities ($1 billion), and refunding $98.7 million of SUNY's existing educational facilities obligations ($93.2 million).

Also during the year, SUNY entered into agreements with DASNY to issue residential hall facility obligations totaling $128.3 million for the purpose of financing capital construction and major rehabilitation of residential facilities.

In prior years, SUNY defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in SUNY's financial statements. As of March 31, 2012, $366.4 million and $194.8 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

During CUNY's fiscal year ending June 30, 2011, DASNY issued bonds for new construction with a par value of $724.4 million and original issue premium of $33.5 million and issued refunding bonds with a par value of $139.2 million and original issue premium of $14.6 million on behalf of CUNY Senior Colleges. Bond proceeds of $178 million were used to defease $174 million of existing debt. Under the terms of the resolutions for the defeased bonds, bond proceeds were paid directly to the bondholders of the defeased bonds. As a result, the refunded debt is considered defeased. The economic gain related to the defeased bonds amounted to $45.7 million. The excess of the bond proceeds over the amount of debt defeased of $3.9 million, and remaining unamortized premium and discount of $363,484 are deferred and amortized in a systematic and rational manner over the remaining life of the old debt or new debt, whichever is shorter.

At June 30, 2011, $223.2 million of CUNY's bonds outstanding were considered defeased for CUNY Senior Colleges.

Interest Rate Exchange Agreements (Swaps)

Article 5-D of the State Finance Law authorized the use of a limited amount of swaps equal to 15 percent of statutorily defined State-supported debt. Starting in November 2002, the State began to enter into swap agreements to "synthetically" change the interest cost associated with bonds it issued from either variable rate to fixed rate or from fixed rate to variable rate. The intention of each of the swaps was to lower the cost of borrowing to the State below what could have been achieved on bonds without the use of the associated swap agreements and reduce the risks associated with the variability of cash flows or fair values of the underlying debt.

The statutory authorization for the use of swaps also requires that each of the swaps entered into meet the following requirements:

- Counterparties have a credit rating from at least one NRSRO that is within the two highest investment grade categories;
- A finding by an independent financial advisor certifying that the terms and conditions of all swaps reflect a fair value;
- Utilization of a standardized interest rate exchange agreement;
- Issuance of monthly reports by the public benefit corporations to provide monitoring and swap performance assessment; and
- Compliance with uniform interest rate exchange guidelines.

The State manages the swaps as a single portfolio, although they relate to debt reported under both governmental activities and business-type activities.

Swap Activity and Terms

The State has approximately $2.1 billion notional amount of swaps ($1.6 billion of which related to governmental activities and $485 million related to business-type activities) outstanding that were issued to synthetically create fixed rate debt from variable rate debt. The $2.1 billion portfolio includes 37 separate pay-fixed, receive-variable interest rate swap agreements with eight counterparties. The maturity of the synthetic fixed rate swaps, with the exception of the CUNY-Student Residence swap, are coterminous with the underlying debt.

The table below summarizes fair value balances and notional amounts of derivative instruments outstanding on March 31, 2012 for governmental activities and June 30, 2011 for business-type activities, and the changes in fair value of those derivatives for the years then ended as reported in the State's 2012 financial statements (amounts in millions):

		Changes in Fair Value		Fair Value	
Issuer/Type	**Notional**	**Classification**	**Amount**	**Classification**	**Amount**
Governmental Activities:					
Cash Flow Hedges:					
Dormitory Authority Pay-fixed interest rate swaps	$ 214	Deferred Outflow	$ (16)	Derivative Instruments	$ (31)
Urban Development Corporation Pay-fixed interest rate swaps	424	Deferred Outflow	(45)	Derivative Instruments	(95)
Housing Finance Agency Pay-fixed interest rate swaps	177	Deferred Outflow	(6)	Derivative Instruments	(24)
Local Government Assistance Corporation Pay-fixed interest rate swaps	725	Deferred Outflow	(22)	Derivative Instruments	(94)
Subtotal	**1,540**		**(89)**		**(244)**
Investment Derivatives:					
Housing Finance Agency Pay-fixed interest rate swaps	80	Investment Earnings	(17)	Derivative Instruments	(17)
Subtotal	**1,620**		**(106)**		**(261)**
Business-type Activities (as of June 30, 2011):					
Cash Flow Hedges:					
Dormitory Authority—CUNY Pay-fixed interest rate swaps	416	Deferred Outflow	10	Derivative Instruments	(52)
CUNY—Student Residence Pay-fixed interest rate swaps	69	Deferred Outflow	1	Derivative Instruments	(6)
Subtotal	**485**		**11**		**(58)**
Total	**$ 2,105**		**$ (95)**		**$ (319)**

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted back using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The fair value, which fluctuates based on market conditions, is monitored closely by the Division of the Budget (DOB) and the public benefit corporations that issue swaps on behalf of the State. DOB reviews the actual mark-to-market (fair value) of outstanding swaps on a monthly basis.

As of March 31, 2012, the State determined the Housing Finance Agency pay-fixed interest rate swap listed as an investment derivative under governmental activities in the table above no longer met the criteria for effectiveness. Accordingly, the accumulated changes in fair value of $7 million that were reported as a deferred outflow at March 31, 2011, along with the decrease in fair value of $10 million during the current fiscal year are reported within the investment earnings classification at March 31, 2012.

Also during the year, portions of the pay-fixed interest rate swap agreements held by the Local Government Assistance Corporation were terminated through a current refunding and defeasance of a portion of the hedged debt. The State made termination payments totaling $27 million to the counterparties involved.

The table below summarizes the terms of the State's hedging derivative instruments outstanding at March 31, 2012 for governmental activities and at June 30, 2011 for business-type activities (amounts in millions):

Issuer/Type	Underlying Debt	Notional Amount	Effective Date	Final Maturity Date	Terms
Governmental Activities:					
Dormitory Authority:					
Pay-fixed interest rate swaps	CUNY 5th Res Series 2008C, D Bonds	$ 24	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Mental Health Series 2003D-2 Bonds	190	7/15/2003	2/15/2031	Pay 3.044%; Receive 65% LIBOR
Urban Development Corporation:					
Pay-fixed interest rate swaps	Correctional/ Youth Series 2008A Bonds	200	11/26/2002	1/1/2030	Pay 3.578%; Receive 65% LIBOR
Pay-fixed interest rate swaps	PIT (State Fac & Equip) Series 2004A-3 Bonds	224	12/22/2004	3/15/2033	Pay 3.49%; Receive 65% LIBOR
Housing Finance Agency:					
Pay-fixed interest rate swaps	Service Contract Revenue Series 2003L, M Bonds	177	8/28/2003	9/15/2021	Pay 3.66%; Receive 65% LIBOR
Pay-fixed interest rate swaps	PIT (Eco Dev & Housing) Series 2005C Bonds	80	3/10/2005	3/15/2033	Pay 3.336%; Receive 65% LIBOR
Local Government Assistance Corporation:					
Pay-fixed interest rate swaps	Series 2003A, 2008B Bonds	620	2/20/2003	4/1/2022-4/1/2024	Pay 3.15% to 3.26%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Series 2008B Bonds	105	2/26/2004	4/1/2021	Pay 3.194%; Receive 65% LIBOR
Subtotal		**1,620**			
Business-type Activities (as of June 30, 2011):					
Dormitory Authority—CUNY:					
Pay-fixed interest rate swaps	CUNY 5th Res Series 2008C, D Bonds	416	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Queens Student Residences Mortgage Loan	69	6/1/2008	4/23/2018	Pay 3.028%; Receive 67% LIBOR-BBA
Subtotal		**485**			
Total		**$ 2,105**			

Risks

Credit Risk

The State is exposed to credit risk on interest rate swap agreements in asset positions (positive fair values). To minimize its exposure to loss related to credit risk, it is the State's policy to require each counterparty to have credit ratings from at least one NRSRO within the two highest investment grade categories and ratings from any other NRSRO within the three highest investment grade categories, or the counterparty's payment obligations shall be unconditionally guaranteed by an entity with such credit ratings. The swap agreements and Article 5-D of the State Finance Law also require that should the credit rating of a counterparty or an entity unconditionally guaranteeing the counterparty's payment obligations, if so secured, fall below the rating required, that the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, with a net market value of at least 102 percent of the net market value of the contract

to the issuer and such collateral shall be deposited with the issuer or its agent. The following table presents the counterparty credit ratings as of March 31, 2012 (amounts in millions):

Counterparty	Notional Amount	Credit Ratings		
		Moody's	S&P	Fitch
Citibank	$ 353	A1	A	A
Goldman	338	Aa1	AAA	—
JP Morgan	473	Aa1	A+	AA–
Merrill	118	A2	A	A
Morgan Stanley	373	A2	A–	A
RBS Citizens Bank, NA	69	—	A–	—
Societe Generale	94	A1	A	A+
UBS	287	Aa3	A	A
Total	**$ 2,105**			

Certain of the State's swap agreements contain set-off provisions. Under the terms of the agreements, should an agreement terminate, close-out set-off provisions permit all outstanding transactions with the related counterparty to terminate and net the transaction's fair values so that a single sum will be owed by, or owed to, the State.

There were no interest rate swap agreements in asset positions; therefore, the State was not exposed to credit risk and no collateral was required to be posted at March 31, 2012. However, should interest rates change and the fair values of interest rate swap agreements become positive, the State would be exposed to credit risk in the amount of those swaps' fair value.

Basis Risk

The State is exposed to basis risk on its pay-fixed interest rate swaps, which is the possibility that the variable rate payments received by the State in the swap are less than the variable rate payments made by the State on the underlying bonds issued. Because the swaps are based on a percentage of LIBOR there is a possibility that this floating rate will not match the actual interest rates set in the tax-exempt market on the underlying bonds. Times when the mismatch may be out of favor to the State are in very low interest rate environments or if major changes in the tax code were to be enacted causing tax-exempt floating-rate bonds to trade less favorably in comparison to taxable floating rate bonds. Should the relationship between LIBOR and the actual variable rate payments converge, the expected cost savings may not materialize.

Termination Risk

The swap contracts use the International Swap Dealers Association Master Agreement (Master Agreement), which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events," providing that the swaps may be terminated if either the State or a counterparty's credit quality rating falls below certain levels. The State or the counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. The State may also terminate the swaps at its option. If a swap agreement is terminated, the synthetically created fixed or variable interest rate will cease to exist and the State's interest payment will be based solely upon the rate required by the related bonds as issued. When a termination occurs, a mark-to-market (or fair market value) calculation is performed to determine whether the State is owed money or must pay money to close out a swap position. A negative fair market value means the State would incur a loss and need to make a termination payment to settle the swap position. A positive fair market value means the State would realize a gain and receive a termination payment to settle the swap position.

Rollover Risk

The State is exposed to rollover risk on interest rate swap agreements that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these swap agreements terminate, or in the case of a termination option, when the option is exercised, the State will be re-exposed to the risks

being hedged by the swap agreement. The State is exposed to rollover risk on the Queens Student Residences mortgage loan pay-fixed interest rate swap scheduled to mature in April 2018 because the hedged debt is scheduled to mature in June 2043.

Operating Leases

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures, reported for the year ended March 31, 2012 under such operating leases, totaled $187 million and were financed primarily from the General Fund. The following is a summary of future minimum rental commitments under real property and equipment leases with terms exceeding one year (amounts in millions):

Fiscal Year	Governmental Activities
2013	$ 171
2014	137
2015	124
2016	101
2017	91
2018-2022	257
2023-2027	67
2028-2032	18
2033-2037	7
2038-2042	8
2043-2047	9
2048-2052	10
2053-2057	11
2058-2062	2
Total	**$ 1,013**

Business-type activities reported the following future minimum rental commitments under real property and equipment leases with terms exceeding one year at year-end (June 30, 2011 for SUNY and CUNY and March 31, 2012 for Lottery) (amounts in millions):

Fiscal Year	Business-type Activities
2012	$ 87
2013	78
2014	69
2015	61
2016	53
2017-2021	174
2022-2026	122
2027-2031	104
2032-2036	32
Total	**$ 780**

In December 2010, $102 million of Pledged Assessment Revenue Bonds, Series 2010A, were issued by the Dormitory Authority of the State of New York. These bonds are special revenue obligations of the Dormitory Authority. Principal and interest on the Series 2010A Bonds are payable from the pledged assessments to be assessed and collected by the Chair of the Workers' Compensation Board. The State determined that the transaction meets the criteria under GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenue*, since the pledged revenues are formally committed to directly collateralize or secure debt of a component unit. The Pledged Assessment Revenue Bonds are reported as collateralized borrowing in the State's financial statements (amounts in millions):

Fiscal Year	Principal	Interest	Total
2013	$ 16	$ 4	$ 20
2014	16	3	19
2015	10	3	13
2016	15	3	18
2017	8	2	10
2018-2021	37	5	42
Total	**$ 102**	**$ 20**	**$ 122**

Note 8 Liabilities

Changes in Long-Term Liabilities

The following table summarizes changes in long-term liabilities for both governmental activities and business-type activities (amounts in millions):

CHANGES IN LONG-TERM LIABILITIES—GOVERNMENTAL ACTIVITIES

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax refunds payable	**$ 1,023**	**$ 71**	**$ —**	**$ 1,094**	**$ —**
Accrued liabilities:					
Payroll and fringe benefits	$ 188	$ 168	$ 12	$ 344	—
Compensated absences	868	789	796	861	38
Medicaid	709	114	90	733	67
Health insurance	192	—	—	192	—
Litigation	285	141	244	182	149
Workers' compensation reserve	2,578	697	310	2,965	356
Arbitrage rebate	54	1	10	45	9
Due to Federal government	199	—	66	133	—
Due to component unit	318	—	—	318	—
Miscellaneous	18	18	19	17	—
Total	**$ 5,409**	**$ 1,928**	**$ 1,547**	**$ 5,790**	**619**
Payable to local governments:					
Education aid—prior year adjustment	$ 123	$ —	$ 1	$ 122	—
Handicapped pupil aid	497	—	259	238	—
Emergency management	18	—	6	12	—
Miscellaneous	2	7	—	9	—
Total	**$ 640**	**$ 7**	**$ 266**	**$ 381**	**—**
Pension contributions payable	**$ 710**	**$ 500**	**$ 191**	**$ 1,019**	**—**
Other postemployment benefits	**$ 8,150**	**$ 3,082**	**$ 1,138**	**$ 10,094**	**—**
Pollution remediation	**$ 700**	**$ 248**	**$ 88**	**$ 860**	**196**
Collateralized borrowing	**$ 102**	**$ —**	**$ —**	**$ 102**	**16**
General obligation bonds payable:					
General obligation bonds payable	$ 3,525	$ 330	$ 361	$ 3,494	346
Plus or minus deferred amounts:					
For unamortized premiums/discounts	100	24	7	117	6
Net Amount	**3,625**	**354**	**368**	**3,611**	**352**
Deferred loss on refunding	(43)	—	(2)	(41)	—
Total	**$ 3,582**	**$ 354**	**$ 366**	**$ 3,570**	**352**
Other financing arrangements:					
Capital leases	$ 21	$ —	$ 16	$ 5	2
Other financing arrangements	40,414	4,813	4,782	40,445	2,837
Plus deferred amounts:					
For unamortized premiums/discounts	1,774	541	259	2,056	183
For accreted discount on bonds	70	7	9	68	—
Net Amount	**42,279**	**5,361**	**5,066**	**42,574**	**3,022**
Deferred loss on refunding	(782)	(4)	(95)	(691)	—
Total	**$ 41,497**	**$ 5,357**	**$ 4,971**	**$ 41,883**	**3,022**
Derivative instruments	**$ 162**	**$ 126**	**$ 27**	**$ 261**	**—**
Total due within one year					**$ 4,205**

CHANGES IN LONG-TERM LIABILITIES—BUSINESS-TYPE ACTIVITIES

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Accrued liabilities:					
Compensated absences	$ 344	$ 167	$ 160	$ 351	$ 239
Litigation	384	89	10	463	64
Interfund loan	61	—	9	52	17
Miscellaneous	391	200	31	560	11
Total	**$ 1,180**	**$ 456**	**$ 210**	**$ 1,426**	**331**
Due to Federal government	**$ 3,863**	**$ 2,527**	**$ 2,428**	**$ 3,962**	**2,144**
Lottery prizes payable	**$ 1,430**	**$ 218**	**$ 171**	**$ 1,477**	**171**
Other postemployment benefits:					
SUNY (June 30, 2011)	$ 2,150	$ 833	$ 237	$ 2,746	—
CUNY (June 30, 2011)	304	81	31	354	—
Total	**$ 2,454**	**$ 914**	**$ 268**	**$ 3,100**	**—**
Other financing arrangements:					
Lottery	$ 2	$ —	$ 2	$ —	—
SUNY (June 30, 2011)	6,729	1,466	435	7,760	399
CUNY (June 30, 2011)	3,497	903	328	4,072	201
For unamortized premiums/discounts (June 30, 2011)	(6)	44	(5)	43	—
Total	**$ 10,222**	**$ 2,413**	**$ 760**	**$ 11,875**	**600**
Derivative instruments	**$ 69**	**$ —**	**$ 11**	**$ 58**	**—**
Deferred inflows of resources	**$ 4**	**$ —**	**$ 4**	**$ —**	**—**
Total due within one year					**$ 3,246**

Litigation and workers' compensation liabilities will be liquidated by the General Fund. Medicaid accrued liabilities and payable to local governments will be liquidated by the General and the Federal Special Revenue Fund. Payroll and related fringe benefits, compensated absences, health insurance, pension contributions and miscellaneous accrued liabilities will be liquidated by the General Fund, Federal Special Revenue Fund and Other Governmental Funds.

Accrued Liabilities—Governmental Activities

The following table summarizes accrued liabilities at March 31, 2012 for governmental activities (amounts in millions):

Description	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total Governmental Activities
Payroll	$ 725	$ 33	$ —	$ 39	$ 797
Fringe benefits	85	2	—	25	112
Medicaid	1,743	2,357	—	—	4,100
Health programs	14	—	—	—	14
Miscellaneous	323	7	8	215	553
Total governmental funds	**$ 2,890**	**$ 2,399**	**$ 8**	**$ 279**	**5,576**
Payable to fiduciary funds					1,051
Total					**$ 6,627**

Payable to Local Governments—Governmental Funds

The following table summarizes amounts payable to local governments at March 31, 2012 for governmental funds (amounts in millions):

Description	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total
Education programs	$ 1,366	$ 19	$ —	$ 29	$ 1,414
Temporary and disability assistance	984	1,139	—	—	2,123
Local health programs	156	123	—	7	286
Mental hygiene programs	6	4	—	3	13
Criminal justice programs	36	130	—	74	240
Children and family services programs	57	—	—	—	57
Local share of tax revenues	—	—	67	—	67
Miscellaneous	180	95	—	40	315
Total	**$ 2,785**	**$ 1,510**	**$ 67**	**$ 153**	**$ 4,515**

Accrued Liabilities—Business-type Activities

The following table summarizes accrued liabilities at March 31, 2012 for Enterprise Funds (June 30, 2011 for SUNY and CUNY) (amounts in millions):

Description	Lottery	Unemployment Insurance Benefit	SUNY	CUNY	Total
Payroll	$ —	$ —	$ 239	$ 109	$ 348
Fringe benefits	—	—	74	83	157
Compensated absences	3	—	242	106	351
Litigation	—	—	463	—	463
Interfund loan	—	—	52	—	52
Employer overpayments	—	24	—	—	24
Benefits due claimants	—	14	—	—	14
Unclaimed and future prizes	335	—	—	—	335
Miscellaneous	—	—	771	121	892
Total	**$ 338**	**$ 38**	**$ 1,841**	**$ 419**	**$ 2,636**

Note 9 Interfund Transactions and Other Transfers

Interfund Transfers

Interfund transfers for the year ended March 31, 2012 consisted of the following (amounts in millions):

	Transfers To Other Funds								
Transfers From Other Funds	General	General Debt Service	Other Governmental	Elimination	Total Governmental Funds	SUNY	CUNY	Fiduciary	Total
General	$ —	$ 1,604	$ 1,080	$ —	**$ 2,684**	$ 2,221	$ 1,026	$ 307	**$ 6,238**
Federal Special Revenue	529	—	3,388	—	**3,917**	281	—	—	**4,198**
General Debt Service	8,466	—	1	—	**8,467**	966	—	—	**9,433**
Other Governmental	6,451	1,835	134	—	**8,420**	9	—	—	**8,429**
Elimination	—	—	—	(23,199)	**(23,199)**	—	—	—	**(23,199)**
Total Governmental Funds	**15,446**	**3,439**	**4,603**	**(23,199)**	**289**	**3,477**	**1,026**	**307**	**5,099**
SUNY	85	—	14	—	**99**	—	—	—	**99**
Lottery	—	—	2,888	—	**2,888**	—	—	—	**2,888**
Fiduciary	6	—	—	—	**6**	—	—	—	**6**
Non-current	—	—	—	—	**—**	230	—	—	**230**
Total	**$ 15,537**	**$ 3,439**	**$ 7,505**	**$ (23,199)**	**$ 3,282**	**$ 3,707**	**$ 1,026**	**$ 307**	**$ 8,322**

Transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Significant transfers include transfers to the General Fund from other funds representing excess revenues not needed in those funds. Transfers to the General Fund from the General Debt Service Fund for excess funds not needed for debt service on revenue bonds backed by personal income tax revenues totaled $8.5 billion. Transfers to the General Fund from Other Governmental Funds include: mental health patient fees in excess of debt service and rental reserve requirements of $3.2 billion; excess sales tax receipts not needed for LGAC debt service requirements of $2.2 billion; and excess real property transfer tax receipts from clean water and clean air programs of $387 million. The transfers from the General Fund to Fiduciary Funds ($307 million) represent unclaimed funds needed to pay claims. Transfers from the General Fund to Other Governmental Funds are made for State capital projects ($350 million), for State debt service payments ($1.5 billion), and to the Enterprise Funds as State support to the SUNY and CUNY Funds ($3.2 billion). Transfers from the Federal Special Revenue Fund and Other Governmental Funds are comprised of the Federal share of Medicaid payments for a variety of purposes, including transfers to the Mental Health Services Fund for recipients residing in State-operated facilities for people with developmental disabilities ($3.2 billion). Transfers from the Lottery to Other Governmental Funds represent Lottery support for school aid payments ($2.9 billion). The eliminations of $23.2 billion represent transfers made between the governmental funds.

Transfers from the governmental funds to the SUNY and CUNY Funds are reported as transfers to other funds by the governmental funds and as State appropriations by the SUNY and CUNY Funds. As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2011. Therefore, because of the different fiscal year-end for the SUNY and CUNY Funds, total transfers to other funds exceed total transfers from other funds by $211 million. The following is a reconciliation of transfers resulting from different year-ends (amounts in millions):

Net Governmental Funds	$ (1,817)
Net Fiduciary Funds	301
Non-current	(230)
Total Governmental Activities transfers	(1,746)
Business-type Activities transfers:	
State	3,992
Education aid	(2,888)
Capital	431
Total Business-type Activities transfers	1,535
Total transfers	**$ (211)**

Due To/From Other Funds

The following is a summary of the amounts due to other funds and due from other funds at March 31, 2012 (amounts in millions):

	Due To Other Funds							
Due From Other Funds	General	Federal Special Revenue	General Debt Service	Other Governmental	Elimination	Total Governmental Funds	Business-type Activities	Total
General	$ —	$ 251	$ 369	$ 839	$ —	**$ 1,459**	$ 3	**$ 1,462**
Other Governmental	315	427	—	1	—	**743**	380	**1,123**
Elimination	—	—	—	—	(736)	**(736)**	—	**(736)**
Total Governmental Funds	**315**	**678**	**369**	**840**	**(736)**	**1,466**	**383**	**1,849**
Business-type Activities	413	1	—	—	—	**414**	—	**414**
Fiduciary	1,051	—	—	—	—	**1,051**	—	**1,051**
Non-current	—	—	—	—	—	**—**	230	**230**
Total	**$ 1,779**	**$ 679**	**$ 369**	**$ 840**	**$ (736)**	**$ 2,931**	**$ 613**	**$ 3,544**

The more significant balances due to/from other funds include $661.4 million due to the General Fund to cover cash overdrafts in the short-term investment pool. These temporary interfund loans include $150.1 million to the Federal Special Revenue Fund and $511.3 million to Other Governmental Funds. Due to other funds in the General Debt Service Fund include $369 million for amounts owed to the General Fund for excess personal income revenues.

As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2011. Therefore, because of the different fiscal year-end of the SUNY and CUNY Funds, the total amount reported as due from other funds exceeds the total amount reported as due to other funds by $545 million.

Note 10 Commitments and Contingencies

The State receives significant financial assistance from the Federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. The State reported additional Federal funding of $6.8 billion from the American Recovery and Reinvestment Act (Federal Stimulus) as of March 31, 2012 for Medicaid, unemployment benefits, education and other programs. Substantially all Federal grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the State.

Pursuant to legislation enacted in 1985, the State entered into service contracts establishing a contingent-contractual obligation with respect to financings related to the DASNY Secured Hospital Program for the purpose of enabling certain financially distressed not-for-profit hospitals to gain access to the capital markets. The State service contracts obligate the State to pay debt service, subject to annual appropriations, on bonds in the event of shortfalls in hospital resources. As of March 2012, there are $503 million of outstanding bonds in the program with annual debt service requirements of $76 million. Authorization to issue bonds under this program expired on March 1, 1998.

As of March 2012, the financial condition of most of the hospitals in the program has deteriorated. Assuming recent trends continue, State resources will be needed to meet debt service obligations on outstanding bonds. The financial plan projected costs are an additional $3 million in fiscal year 2012-2013, $32 million in fiscal year 2013-2014, and $39 million annually thereafter. These amounts would cover the debt service costs for four hospitals that currently are not meeting the terms of their agreements. The State has additional exposure of up to a maximum of $39 million annually, if all additional hospitals failed to meet their terms and available reserve funds were depleted.

The New York State Constitution provides that the State may guarantee repayment of certain borrowings of the Job Development Authority (JDA) to carry out designated projects. The State has never been called upon to make any direct payments pursuant to such guarantees. However, in 1996, the State entered into an agreement with JDA and the New York State Urban Development Corporation (UDC) whereby UDC would provide funding needed by JDA to meet its debt service obligations through March 31, 2012. JDA required no financial assistance to meet debt service obligations during the State fiscal year ended March 31, 2012. As of March 31, 2012, JDA had $19 million of State-guaranteed bonds and notes outstanding (with an additional $731 million authorized but not issued).

In order to provide additional inducement to investors to purchase the obligations of certain public benefit corporations, the legislation creating these corporations authorizes the State to make up any deficiencies in their debt service reserve funds, subject to legislative appropriation (effectively, a "moral obligation" debt to back the corporations' credit). Such "moral obligation" does not constitute full faith and credit obligations of the State. As of March 31, 2012, approximately $20 million in moral obligation bonds were outstanding. During the year, the State was not called on to make any payments.

Health care providers have a right to appeal Medicaid reimbursement rates. Based on an analysis of appeals, a liability of $562 million has been recognized in the Statement of Net Assets.

In 1977-78, the State required that reserve funds held by insurance companies that underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of $192 million, which is reported as accrued liabilities due in more than one year on the Statement of Net Assets.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity insurance on State employees. A liability is estimated for unpaid automobile claims based on an analysis of property loss and claim settlement trends. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation that is discussed further in Note 11. Insured losses incurred by the State did not exceed coverage for any of the three preceding fiscal years. Litigation losses are estimated based on an assessment of pending cases conducted by the Office of the Attorney General.

Workers' compensation is provided with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations, discounted at 2.5 percent as of March 31, 2012, the State is liable for unfunded claims and incurred but not reported claims totaling $3 billion, which are reported as accrued liabilities in the governmental activities.

Changes in the State's liability relating to workers' compensation claims, litigation (see Note 11) and auto claims in fiscal years 2011 and 2012 were (amounts in millions):

Fiscal Year	Claim Liability Beginning of Year	Increase in Liability Estimate	Payments and Decrease in Liability Estimate	Claim Liability End of Year
2010-2011	$ 2,910	$ 591	$ 384	$ 3,117
2011-2012	$ 3,117	$ 868	$ 620	$ 3,365

The State Finance Law requires the Abandoned Property Fund (Fund), a Private Purpose Trust Fund, to have a maximum cash balance of $750 thousand at fiscal year-end. All Abandoned Property receipts are recorded in the General Fund and are transferred to the Abandoned Property Fund for payment upon approval of a claim. At March 31, 2012, the Abandoned Property Fund included $352 million of securities not yet liquidated and not subject to the State Finance Law's cash provisions. Net collections from inception (1942) to March 31, 2012 of approximately $12 billion, excluding interest, represent a contingent liability to the State since the owners of such property may file claims for refunds.

A liability representing the probable amount of escheat property that will be reclaimed and paid to claimants is reported in the Fund. To the extent that assets in the Fund are less than the claimant liability, a receivable (due from other funds) is reported in that Fund and an equal liability (due to other funds) is reported in the General Fund. At March 31, 2012, the amount reported in the Fund for claimant liability is $1.6 billion and the amount reported in the General Fund as due to the Fund is $1.1 billion. Since receipts in the Fund are expected to be adequate to pay current claims, it is not expected that General Fund support for that purpose will be required. Claims paid from the Fund during the year totaled $307 million.

The State is liable for costs relating to the closure and post-closure of landfills totaling $18 million, which is recorded in accrued liabilities. Closure and post-closure requirements are generally governed by Title 6, Part 360 of the New York Code of Rules and Regulations. Since most landfills are inactive, the liability reflects the total estimated closure and post-closure cost at year-end. Liability estimates are based on engineering studies or on estimates by agency officials that are updated annually.

GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASBS 49 does not require the State to search for pollution, it does require the State to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the State is compelled to take action;
- The State is in violation of a pollution-related permit or license;
- The State is named or has evidence that it will be named as responsible party by a regulator;
- The State is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- The State commences or legally obligates itself to conduct remediation activities.

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the State. Several State agencies have dedicated programs, rules and regulations that routinely deal with remediation-related issues; others become aware of pollution conditions in the fulfillment of their missions. The State has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. The standard requires the State to calculate pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the State has not identified any of these situations.

The remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

During the fiscal year, the State recognized estimated additional liabilities of $248 million, spent $87 million in pollution remediation obligation-related activities, recognized adjustments decreasing the liability by $1 million, and recovered $23 million from other responsible parties. At March 31, 2012, the State had an outstanding pollution remediation liability of $860 million, with an estimated potential recovery of $99 million from other responsible parties.

The State and the New York State Energy Research and Development Authority (NYSERDA) have been engaged in a dispute with the federal government over both the responsibility of the federal government for site cleanup at West Valley, as well as which government is liable for perpetual care of any remaining wastes after decontamination activities are complete. In August 2010, the U.S. District Court approved and entered a Consent Decree that formalized a settlement agreement that covered a number of the State's claims. The Decree identifies a specific cost share for each government for specified facilities and known areas of contamination, and sets forth a process for determining cost shares for contamination that may be identified in the future. The agreement does not affect in any way the cleanup alternatives that are being or may be developed in the ongoing EIS process. Two claims remain unresolved. The unresolved State's natural resource damages claim has been tolled. The Nuclear Waste Policy Act claim, concerning responsibility for the disposal cost of certain remaining waste at the site, is in litigation. The parties are discussing potential ways to resolve this claim.

Legislation enacted in 2003 authorized the State to securitize all of its tobacco settlement payments to the Tobacco Settlement Financing Corporation through an asset-backed securitization transaction. To lower costs, the legislation authorized the State to enter into contingency contracts obligating the State to pay debt service, subject to annual appropriations, on the TSFC bonds in the event that tobacco receipts and bond reserves are insufficient. To ensure that State contractual payments will not be required and that tobacco receipts and bond reserves are sufficient to pay debt service, the TSFC bonds were structured to meet or exceed all rating agency tobacco bonds stress tests. The bonds carry a final nominal maturity of 19 years and an expected final maturity of 13 years, based on optional redemptions. The expected final maturity may deviate due to the optional nature of the redemptions and adjustments to tobacco settlement payments due from participating manufacturers. A lawsuit was filed in 2006 by the Attorney General of New York to recover the settlement payments that were withheld from the State. Litigation continues to recover the funds withheld. In addition, participating manufacturers brought a nationwide arbitration against the settling states, including New York, asserting that those states failed to diligently enforce their respective escrow statutes in 2003 as required to maintain the base settlement payments per the Master Settlement Agreement. This was settled in 2003. The same claim for the 2004-2006 years has been raised. New York has a diligent enforcement hearing scheduled for June 2012.

Several unions have not reached labor settlement agreements with the State at this time. Settlements may result in added costs to the State. The Enacted Budget assumes spending related to these settlements, but the actual settlements could exceed the amounts in the budget.

Note 11 Litigation

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings, and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the legality or the adequacy of a variety of significant social welfare programs, primarily involving the State's Medicaid and mental health programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care that could require substantial increased financing of the litigated programs in the future.

With respect to pending and threatened litigation, the State has reported, in the governmental activities, liabilities of $400 million, of which $218 million pertains to SUNY, for awarded and anticipated unfavorable judgments. In addition, the State is party to other claims and litigation that its legal counsel has advised may result in possible adverse court decisions with estimated potential losses of approximately $483 million.

Note 12 State and Local Retirement System

There are three systems within the State and Local Retirement System (System) for employees of the State and its localities (except employees of New York City and teachers, essentially all of whom are covered by separate pension plans). The System, known and reported collectively as the New York State and Local Retirement System, comprises the State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GLIP). GLIP provides death benefits in the form of life insurance. All net assets of the System are held in the Common Retirement Fund, which was established to hold all net assets and record changes in net plan assets allocated to the System. In these statements, GLIP amounts are apportioned to and included in either ERS or PFRS.

The State Comptroller is sole trustee and administrative head of the System. The System is a cost sharing multiple-employer defined benefit pension plan. On March 31, 2012, there were 3,040 participating government employers. Employees of the State constituted about 35 percent and 16 percent of the members of ERS and PFRS, respectively, during the fiscal year ended March 31, 2012.

The System provides retirement benefits as well as death and disability benefits. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need ten years of service credit to be 100 percent vested. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined the System. Contributory and noncontributory requirements also depend upon the point in time at which an employee last joined the System. Most members of ERS who joined the System on or before July 26, 1976 are enrolled in a noncontributory plan. Most members of PFRS are not required to make employee contributions. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory plan which requires a 3 percent contribution of their salary. As a result of Article 19 of the RSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have ten or more years of membership or credited service within the System are not required to contribute. Less than 1 percent of other members are contributory. Members cannot be required to begin contributing or make increased contributions beyond what was required when their memberships began. Generally, members of the System may retire at age 55; however, members of Tiers 2, 3 and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. An employee with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3 percent to 6 percent depending on salary. Members are required to contribute for all years of service.

The System's financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employer contributions are recognized when billed. Investments are reported at fair value. Stocks traded on a national or international exchange are valued at quoted market value at current exchange rates. Bonds are primarily reported at market values obtained from independent pricing services. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals made every three years or according to the fund agreement. Investments that do not have an established market are reported at estimated fair value. The System trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency exchange rates. The System is exposed to various investment risks as follows:

Investment Custodial Credit Risk—Equity and fixed income investments owned directly by the System which trade in the United States (U.S.) markets are held at the System's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Common Retirement Fund. These securities are typically held in electronic form by the Depository Trust Company (DTC) and its subsidiaries, acting as an agent of the System's custodian bank. Securities held directly by the System which trade in markets outside the U.S. are held by a subsidiary of the System's custodian bank in the local market, a bank performing custodial services in the local market acting as an agent for the System's custodian bank, or, in some foreign markets, the securities are held in electronic format by a DTC subsidiary or an organization similar to DTC. Directly held investments include short-term and long-term fixed income, and domestic and international equity separately managed accounts.

The aforementioned investments have the lowest custodial risk. Equity investments held indirectly by the System via limited partnerships, commingled investment funds, joint ventures and other similar vehicles are held in custody by an organization contracted with by the general partner and/or the investment management firm responsible for the management of each investment organization. Title to real property invested in by the System is either held by a real estate holding company or a real estate investment fund. Ownership of mortgage assets is documented by the System's holding of original mortgage and note documents by the Division of Pension Investment and Cash Management in the Office of the State Comptroller (OSC).

Credit Risk—New York State statutes and the System's investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition.

Approximately $25 billion or 74.33 percent of the System's $33 billion long-term bond portfolio is rated AAA by Moody's. For the balance of the portfolio; 19.82 percent is rated A or AA, 5.5 percent is rated BA to BAA and .35 percent is rated B to BBB.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the System's fixed income securities. The price volatility of the System's fixed income holdings are measured by duration. The System attempts to mitigate price volatility by matching the duration of the assets with the duration of the retired lives liabilities so that any change in the market value of the assets resulting from a change in interest rates will result in a similar change in the value of the liabilities. The average duration of the System's fixed income portfolio is 4.7 years.

Concentration of Credit Risk—Issuer limits for investments held by the System are established for each investment area by RSSL, Article 2, Section 13 and Article 4A, Sections 176, 177, and 313, and policy guidelines adopted by the Comptroller.

Restrictions are placed on short-term fixed income investments such that any one issuer of commercial paper must have the highest rating by two NRSROs and a maximum of $500 million of the short-term portfolio can be invested in any one issuer. In addition, simultaneous purchase and sales of U.S. Treasury obligations may be executed with primary government dealers; however, a maximum of $200 million may be invested with any one primary dealer.

Restrictions are placed on fixed income investments with maturities longer than one year such that obligations payable in U.S. dollars of any one department, agency or political subdivision of the U.S. Government or issued by any corporation, company or other issuer of any kind or description created or existing under the laws of the United States, any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico and obligations of Canada or any province or city of Canada, provided each obligation is rated investment grade by two NRSROs and does not exceed 2 percent of the assets of the System or 5 percent of the direct liabilities of the issuer. In addition, the aggregate amount invested in interest-bearing obligations payable in U.S. dollars which at the time of investment are rated one of the four highest grades by each NRSRO may not exceed 1 percent of the assets of the System, and bonds issued or guaranteed by the State of Israel payable in U.S. dollars may not exceed 5 percent of the assets of the System.

Securities Lending—Section 177-d of the RSSL authorizes the System to enter into security loan agreements with broker/dealers and New York State or national banks. The System has designated its master custodian bank (Custodian) to manage a securities lending program. This program is subject to a written contract between the System and the Custodian who acts as security lending agent for the System. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the System. Types of collateral received from borrowers for securities loaned are cash, government securities and Federal agency obligations. The Custodian is authorized to invest the cash collateral in short-term investments that are legal for the System. These include domestic corporate and bank notes, U.S. Treasury obligations, obligations of Federal agencies, repurchase agreements and specific asset-backed securities. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. The System has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2012 or in the history of the program.

The System lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities. Credit risk associated with the investment of cash collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the System's reinvestment guidelines. The Custodian acknowledges responsibility to reimburse the System for any losses that might arise from managing the program in a manner inconsistent with the contract. The System manages its market rate risk by recording investments at market value

daily and maintaining the value of the collateral held by the System in excess of the value of the securities loaned.

As of March 31, 2012, the fair value of securities on loan was $10.7 billion. The associated collateral was $10.9 billion, of which $5.1 billion was cash collateral and $5.9 billion was securities held as collateral. The fair value of the invested cash collateral, as of March 31, 2012, was $4.9 billion and the securities lending obligations were $5.1 billion. The unrealized loss in invested cash collateral on March 31, 2012 was $182.3 million, which is included in the Statement of Changes in Fiduciary Net Assets, "Net appreciation in the fair value of investments."

All open security loans can be terminated on demand by either the System or the borrower. To provide sufficient liquidity, the policy of the System is to maintain a minimum of 10 percent of collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and Federal agency obligations and one full year for all other investments, the average term of open security loans at March 31, 2012 was 25 days. All loans were open loans. There were no direct matching loans. The collateral pool is valued at market value obtained from independent pricing services.

Foreign Currency Risk—As of March 31, 2012, the System's current position in publicly traded international equity securities, invested directly in and through commingled funds, is approximately $21.4 billion. The System also has foreign investments held in U.S. dollars of $4 billion, a net forward foreign currency contracts position of negative $418 thousand, $7.0 billion in private equities, opportunistic and absolute return strategy funds, and $2.4 billion in real property owned, made, or located outside the United States. The approximate total market value of investments made outside of the United States is $34.8 billion.

Funding Status and Funding Progress

Participating employers are required under the RSSL to contribute annually to the System. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2012, the applicable interest rate was 7.5 percent.

The funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the RSSL. The aggregate actuarial funding method is used by the System. Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently, the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to legislation, such as retirement incentives, the 10-year amortization part of their bills for fiscal years ended 2005, 2006 and 2007 and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years). The average employer contribution rate, excluding the 10-year amortization, for ERS and PFRS for the fiscal year ended March 31, 2012 was approximately 16.3 percent and 21.6 percent of payroll, respectively.

The System uses the aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial accrued liabilities. As required under GASBS No. 50, *Pension Disclosures*, the following is a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System as of the most recent actuarial valuation date. This 2012 actuarial valuation performed on April 1, 2011, determined employer contributions for the year ending March 31, 2013.

The funded status of the System as of April 1, 2011, the most recent valuation date, is as follows (in millions):

System	Actuarial Valuation Date	Actuarial Assets (a)	Actuarial Accrued Liability (b)	UAAL* (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL* as a Percentage of Covered Payroll ((b-a)/c)
ERS	4/1/2011	$ 126,395	$ 140,087	$ 13,692	90.2%	$ 24,389	56.1%
PFRS	4/1/2011	$ 22,205	$ 24,169	$ 1,964	91.9%	$ 3,146	62.4%

**Unfunded Actuarial Accrued Liability (UAAL)*

Significant actuarial assumptions used in the April 1, 2011 valuation to determine employer contributions for the year ended March 31, 2013 were interest rate of 7.5 percent, salary scale for ERS of 4.9 percent, salary scale for PFRS of 6 percent, decrement tables April 1, 2005 to March 31, 2010 System's experience, and inflation rate of 2.7 percent.

The actuarial asset value for domestic bonds and mortgages is amortized value. Short-term investments are at market value. Normally, all other investments use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. It treats realized or unrealized gains (or losses) in the same manner.

Contributions

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include $154.8 million for amortization of retirement incentives, new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total $165.2 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2005 that exceeded 7 percent of payroll. The amortized amount receivable from New York State as of March 31, 2012 is $176.9 million and from participating employers is $37.5 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2006 that exceeded 9.5 percent of payroll. The amortized amount receivable as of March 31, 2012 from the State is $72.1 million and from participating employers is $14.2 million.

RSSL Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2007 that exceeded 10.5 percent of payroll. The amortized amount receivable as of March 31, 2012 from participating employers is $13.6 million.

RSSL Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2011 that exceeded 9.5 percent of payroll for ERS and 17.5 percent of payroll for PFRS. The amortized amount receivable as of March 31, 2012 from the State is $230.7 million and from participating employers is $40.4 million. The thresholds for the fiscal year ended 2012 were 10.5 percent of payroll for ERS and 18.5 percent for PFRS. The interest rate was 3.75 percent. The amortized amount receivable as of March 31, 2012 from the State is $585.8 million and from participating employers is $216.3 million.

The State's contributions to the System for the years ended March 31, 2012, 2011, and 2010 were $1.5 billion, $1.1 billion, and $878 million, respectively, which equaled 100 percent of the required billed contributions for each respective year.

The following presentation displays the Schedule of Plan Net Assets for the System as of March 31, 2012 (amounts in millions):

SCHEDULE OF PLAN NET ASSETS
March 31, 2012

	Employees' Retirement System	Police & Fire Retirement System	Total
Assets:			
Investments:			
Short-term investments	$ 6,282	$ 1,116	$ 7,398
Government bonds	19,888	3,531	23,419
Corporate bonds	8,510	1,511	10,021
Domestic equities	47,461	8,428	55,889
International equities	19,677	3,494	23,171
Private equities	12,675	2,251	14,926
Absolute return strategy investments	4,387	779	5,166
Opportunistic funds	448	79	527
Real estate and mortgage loans	8,613	1,529	10,142
Total investments	**127,941**	**22,718**	**150,659**
Securities lending collateral, invested	4,157	738	4,895
Forward foreign exchange contracts	418	74	492
Receivables, net of allowances for uncollectibles:			
Employers' contributions	1,548	164	1,712
Members' contributions	6	—	6
Member loans	1,079	2	1,081
Accrued interest and dividends	364	65	429
Investment sales	90	16	106
Other	137	41	178
Total receivables, net of allowances for uncollectibles	**3,224**	**288**	**3,512**
Capital assets, at cost, net of accumulated depreciation	29	5	34
Total assets	**135,769**	**23,823**	**159,592**
Liabilities:			
Securities lending collateral, due to borrowers	4,312	766	5,078
Forward foreign exchange contracts	418	74	492
Accounts payable—investments	223	40	263
Accounts payable—benefits	154	33	187
Other liabilities	156	22	178
Total liabilities	**5,263**	**935**	**6,198**
Net assets held in trust for pension benefits	**$ 130,506**	**$ 22,888**	**$ 153,394**

The System issues a publicly available financial report that includes financial statements, expanded disclosures, and required supplementary information for the System. The report may be obtained by writing to the New York State and Local Retirement System, Office of the State Comptroller, 110 State Street, Albany, New York, 12244-0001, or at *www.osc.state.ny.us*.

Employer Accounting

The pension contribution expenditure of $1.5 billion reported in the governmental funds includes pension costs related to employee services rendered during the year, retirement incentive programs and employer amortizations authorized by Chapter 260 of the Laws of 2004, and Chapter 105 and Chapter 57 of the Laws of 2010. Pension contributions payable reported in the General Fund of $212 million are for accrued retirement incentive programs and the employer amortization. In addition, $1 billion of the retirement incentive programs and the employer amortization are reported on the Statement of Net Assets as pension contributions payable due in more than one year.

Note 13 Other Postemployment Benefits (OPEB)

Governmental Activities

The New York State Health Insurance Program (NYSHIP) was established by the State Legislature in 1957 to provide health insurance to New York State employees, retirees and their eligible dependents. Public authorities, public benefit corporations, and other quasi-public entities that choose to participate in NYSHIP are participating employers (PEs). Local government units that choose to participate in NYSHIP are called participating agencies (PAs). At present, there are approximately 357 New York State agencies, 94 PEs, and 804 PAs in NYSHIP. NYSHIP currently covers approximately 600 thousand New York State, PA and PE employees and retirees. Eligible covered dependents bring the total number of covered individuals to approximately 1.2 million. SUNY participates in NYSHIP, but CUNY does not. Of the State's 42 discretely presented component units, which are considered PEs, a majority participate in NYSHIP. NYSHIP does not issue a stand-alone financial report, but NYSHIP's activities are included within the State's financial statements. NYSHIP is classified as an agent multiple-employer plan and financial information is reported in an agency fund and accounted for on the accrual basis of accounting. Information related to investment valuations is presented in Note 2.

Enrollment	NYS*	PEs	PAs	Total
Current active participants	189,306	36,485	106,669	332,460
Vestee participants	476	368	319	1,163
COBRA participants	1,021	566	622	2,209
Other inactive participants**	147,565	16,469	91,725	255,759
Total participants	**338,368**	**53,888**	**199,335**	**591,591**

**Includes State and SUNY participants.*
***Includes retiree, dependent survivor, long-term disability enrollees, young adult program enrollees and preferred list enrollees.*

During the fiscal year ended March 31, 2012, NYSHIP provided health insurance coverage through: the Empire Plan, an indemnity health insurance plan with managed care components; 10 Health Maintenance Organizations (HMOs); and the Student Employee Health Plan (SEHP). Generally, these include hospital, medical, mental health and substance abuse benefits, and prescription drug benefits.

The benefit design of the Empire Plan is the result of collective bargaining between the State and the various unions representing its employees. Therefore, the benefit design is subject to periodic change. Benefits are administratively extended to non-represented State employees, employees of PAs and PEs, and retirees. Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used.

Substantially all of the State's employees may become eligible for post retirement benefits if they reach retirement age while working for the State. The costs of providing post retirement benefits are shared between the State and the retired employee.

Contributions

The authority under which the obligations of the plan members, employers and other contributing entities to contribute to the plan are established or may be amended can be found in Article XI, Section 167 of Civil Service Law. Contributions are determined in accordance with Civil Service Law—Article XI, Sections 165, 165-a and 167, which assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute. The costs of administering the plan are charged as part of the health insurance premium to all payors under the authority of Section 163.2 of Civil Service Law. A retiree is generally required to pay on a monthly basis either 12 percent or 27 percent of the health insurance premium for enrollee or dependent coverage, respectively, which is reduced by the amount of sick leave credits available at the time of

retirement factored by the employee's retirement age. Required employer contribution rates, depending upon enrollee or dependent coverage, are presented in the following table:

EMPLOYER CONTRIBUTIONS
(As Percentages of Premium Rates)

Enrollee Group	Enrollee Coverage	Dependent Coverage
Active (Union without ratified contract and GSEU)	90%	75%
Active (Union with ratified contract and MC)—Below Grade 10	88%	73%
Active (Union with ratified contract and MC)—Grade 10 and above	84%	69%
Preferred list	90%	75%
Retired before January 1, 1983	100%	75%
Retired on/after January 1, 1983 but before January 1, 2012	88%	73%
Retired on/after January 1, 2012—Below Grade 10	88%	73%
Retired on/after January 1, 2012—Grade 10 and above	84%	69%
Amended dependent survivors[1]	75%	75%
Full share dependent survivors/long-term disability	0%	0%
Dependent survivors	90%	75%
Attica dependent survivors	100%	100%
Vestees	0%	0%
COBRA	0%	0%
Young Adult Option enrollees	0%	n/a
Participating employers and participating agencies[2]	50%	35%

[1]State contribution for enrollee and dependent coverage is 75% of dependent coverage.
[2]Values reported are minimum employer share. Employers can pay greater percentages of premiums for their retirees.

The State reimburses Medicare eligible enrollees 100 percent of the cost of the monthly Medicare Part B premium. However, the funding of the cost of the Medicare reimbursements is no longer employer only (the employer is not billed for Medicare expenses incurred April 1, 2010 and after). A Medicare Part B component has been incorporated into the NYSHIP Premium Rates (implemented 10/1/2010 and retroactive to 4/1/2010) and is just one component of the NYSHIP premiums in which the above listed employer contribution percentages are applicable. The premium generated from the Medicare Part B NYSHIP Rate Component is utilized to make the Medicare Part B reimbursement payments to Medicare Primary NYSHIP enrollees.

In addition, the State reduces the retiree health insurance contributions for the value of a retiree's unused sick leave credit at retirement (converted to a monthly fixed value). The cost is paid by the State.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State Legislature. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended March 31, 2012, the State paid $1.1 billion on behalf of the plan. Refer to the RSI for a schedule of funding progress that presents multi-year trend information for actuarial values of plan assets and accrued liabilities.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously "required." The State's annual OPEB cost for the year, the amount actually paid on behalf of the plan, and changes in the State's net OPEB obligation to the plan for the year ended March 31, 2012 are as follows (amounts in millions):

Governmental Activities:		
Annual required contribution	$	3,065
Interest on net OPEB obligation at beginning of year		312
Adjustment to annual required contribution		(295)
Annual OPEB cost		**3,082**
Contributions made		(1,138)
Increase in OPEB obligation		1,944
Net obligation at beginning of year		8,150
Net obligation at end of year	**$**	**10,094**
Actuarial accrued liability (AAL) April 1, 2010	$	59,668
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) April 1, 2010	**$**	**59,668**
Funded ratio		— %
Covered payroll	$	8,942
UAAL as percentage of covered payroll		667.3%

In accordance with GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the actuarial valuation of OPEB also includes the value of sick leave that will be converted to reduce the retiree's share of health insurance premiums.

The State's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years ended March 31 were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
3/31/12	$ 3,082	36.92%	$ 10,094
3/31/11	$ 3,096	32.75%	$ 8,150
3/31/10	$ 2,681	37.34%	$ 6,068

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The State's $3.1 billion annual OPEB cost, determined using the April 1, 2010 actuarial valuation with results projected to April 1, 2011 for the fiscal year ended March 31, 2012, was determined using the frozen entry age actuarial cost method, allocating costs on a level basis over earnings. The annual OPEB cost reflects savings resulting from ratified and/or announced plan changes in the fall of 2011, with respect to changes in retiree contributions and sick leave credits. The State's $59.7 billion unfunded actuarial accrued liability, determined using the frozen entry age actuarial cost method as of April 1, 2010, is amortized over an open period of 30 years using the level percentage of projected payroll amortization method.

The frozen entry age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions utilized a 3.830 percent discount rate that was the average short-term investment pool rate for the past 15 years. The assumptions also utilized an annual healthcare cost trend rate of 10 percent for medical and drug, including inflation, for the first fiscal year in the valuation, declining each year to an ultimate trend rate of 5 percent for both medical and drug; a salary growth rate of 3.5 percent; and an inflation rate of 3 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Business-type Activities

The State, on behalf of SUNY, provides health insurance coverage for eligible retired SUNY employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). Employee contribution rates for NYSHIP are established by the State and are generally 10 percent for enrollee coverage and 25 percent for dependent coverage. The frozen entry age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 3.8 percent discount rate, salary growth rate of 3.5 percent, an inflation rate of 3 percent, and an annual healthcare cost trend rate for medical coverage of 10 percent initially, reduced by decrements to a rate of 5 percent after 7 years.

SUNY's annual OPEB costs and changes in net OPEB obligations for the year ended June 30, 2011 are as follows (amounts in millions):

Annual required contribution	$	810
Interest on net OPEB obligation at beginning of year		74
Adjustment to annual required contribution		(70)
Annual OPEB cost		**814**
Contributions made		(221)
Increase in OPEB obligation		593
Net obligation at beginning of year		1,939
Net obligation at end of year	**$**	**2,532**
Actuarial accrued liability (AAL) April 1, 2010	$	12,352
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) April 1, 2010	**$**	**12,352**
Funded ratio		— %
Covered payroll	$	3,037
UAAL as percentage of covered payroll		406.7%

The SUNY Research Foundation, a blended component unit of SUNY, is not included in the numbers reported above. The SUNY Research Foundation reports other postemployment benefits in accordance with the Accounting Standards Codification (ASC) Topic 715, *Compensation—Retirement Benefits*. SUNY's other postemployment benefits liability reported in the Statement of Net Assets, Enterprise Funds ($2.7 billion), includes SUNY's net obligation above ($2.5 billion), and the funded status of the SUNY Research Foundation's plan as of June 30, 2011 ($214 million).

SUNY's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for SUNY's three most recent fiscal years were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
6/30/11	$ 814	27.15%	$ 2,532
6/30/10	$ 639	32.86%	$ 1,939
6/30/09	$ 625	32.16%	$ 1,510

CUNY retirees receive retiree healthcare benefits through the New York City Health Benefits Program, which is a single-employer defined benefit healthcare plan. The program covers individuals who receive pensions from one of the following three pension plans within the New York City Retirement System (NYCRS): New York City Employees' Retirement System; New York City Teachers' Retirement System; and New York City Board of Education Retirement System. New York City pays for the coverage (Basic Coverage and Welfare Fund contributions) for retirees in NYCRS who retired from community colleges. The frozen entry age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 4 percent discount rate, payroll growth rate of 3 percent, and an annual healthcare cost trend rate for medical coverage of 9.5 percent initially, reduced to a rate of 5 percent by 2023.

CUNY's annual OPEB costs and changes in net OPEB obligations for the year ended June 30, 2011 are as follows (amounts in millions):

Annual required contribution	$	104
Interest on net OPEB obligation at beginning of year		10
Adjustment to annual required contribution		(10)
Annual OPEB cost		**104**
Contributions made		(31)
Increase in OPEB obligation		73
Net obligation at beginning of year		251
Net obligation at end of year	**$**	**324**
Actuarial accrued liability (AAL) June 30, 2010	$	1,161
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) June 30, 2010	**$**	**1,161**
Funded ratio		— %
Covered payroll	$	918
UAAL as percentage of covered payroll		126.5%

The CUNY Research Foundation, a blended component unit of the CUNY Senior Colleges, reports other postemployment benefits in accordance with ASC Topic 715, *Compensation—Retirement Benefits*. CUNY Senior Colleges' other postemployment benefits liability reported in the Statement of Net Assets, Enterprise Funds ($354 million), includes the CUNY Senior Colleges' net obligation above ($324 million), and the funded status of the CUNY Research Foundation's plan as of June 30, 2011 ($30 million).

CUNY's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for CUNY's three most recent fiscal years were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
6/30/11	$ 104	29.81%	$ 324
6/30/10	$ 95	29.47%	$ 251
6/30/09	$ 83	33.73%	$ 184

Note 14 Component Units—Public Benefit Corporations

Component Units—public benefit corporations (Corporations), as defined in Note 1, are legally separate entities that are not operating departments of the State. The Corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for the benefit of the State's citizenry for a variety of purposes such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain Corporations, principally the Metropolitan Transportation Authority, the Roswell Park Cancer Institute, and the Urban Development Corporation was provided in the fiscal year ended March 31, 2012 and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations.

The amounts presented in the accompanying basic financial statements for the Corporations include the following entities for the fiscal years indicated:

Entities Audited by KPMG LLP:	Fiscal Year-End
Dormitory Authority of the State of New York	March 31, 2012*
Health Research, Inc.	March 31, 2012*
Long Island Power Authority	December 31, 2011*
New York State Energy Research and Development Authority	March 31, 2012*
New York State Environmental Facilities Corporation	March 31, 2012*
New York State Higher Education Services Corporation	March 31, 2012*
Power Authority of the State of New York	December 31, 2011*
State University of New York Foundations	June 30, 2011**

Entities Audited by Other Auditors:	Fiscal Year-End
Aggregate Trust Fund	December 31, 2011
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 2011*
Albany Convention Center Authority	December 31, 2011*
Capital District Transportation Authority	March 31, 2012*
Central New York Regional Transportation Authority	March 31, 2012*
City University of New York—Senior College Foundations	June 30, 2011
Homeless Housing and Assistance Corporation	March 31, 2012*
Housing Trust Fund Corporation	March 31, 2012*
Hudson River-Black River Regulating District	June 30, 2011*
Hugh L. Carey Battery Park City Authority	October 31, 2011*
Metropolitan Transportation Authority	December 31, 2011*
Metro-North Commuter Railroad Company	December 31, 2011
The Long Island Rail Road Company	December 31, 2011
Triborough Bridge and Tunnel Authority	December 31, 2011
Metropolitan Suburban Bus Authority	December 31, 2011*
New York City Transit Authority	December 31, 2011*
Staten Island Rapid Transit Operating Authority	December 31, 2011*
MTA Capital Construction Company	December 31, 2011
MTA Bus Company	December 31, 2011*
First Mutual Transportation Assurance Company	December 31, 2011
Municipal Bond Bank Agency	October 31, 2011
Natural Heritage Trust.	March 31, 2012*
Nelson A. Rockefeller Empire State Plaza Performing Arts	March 31, 2012*
New York Convention Center Operating Corporation	March 31, 2012*
New York Racing Association, Inc	December 31, 2011
New York State Affordable Housing Corporation	March 31, 2012
New York State Bridge Authority	December 31, 2011*
New York State Health Foundation	December 31, 2011
New York State Housing Finance Agency	October 31, 2011*
New York State Job Development Authority	March 31, 2012*
New York State Olympic Regional Development Authority	March 31, 2012*
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 2011*
New York State Thruway Authority	December 31, 2011*
Niagara Frontier Transportation Authority	March 31, 2012*
Ogdensburg Bridge and Port Authority	March 31, 2012*
Port of Oswego Authority	March 31, 2012*
Research Foundation for Mental Hygiene, Inc	March 31, 2012*
Rochester-Genesee Regional Transportation Authority	March 31, 2012*
Roosevelt Island Operating Corporation	March 31, 2012*
Roswell Park Cancer Institute	March 31, 2012*
State Insurance Fund	December 31, 2011
State of New York Mortgage Agency	October 31, 2011*
Urban Development Corporation	March 31, 2012*

**Audit conducted in accordance with* Government Auditing Standards *as promulgated by the Comptroller General of the United States.*

***KPMG LLP audited 47 percent of the total assets and 53 percent of the total revenues of the State University of New York Foundations. The remaining balances were audited by other auditors.*

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the combining statement format in the basic financial statements. The Corporations follow the accrual basis of accounting. A few of the individual component units, primarily, the State Insurance Fund, do not fully conform to the accrual basis; however, the impact of these variances is not material to the Corporations in total. Ten of the forty-two discrete entities presented comprise 95 percent of the combined assets and 81 percent of the combined program revenues (before eliminations). The remaining portion of this note contains a brief description of the operations of the ten largest entities. A presentation of their accounts is included in the Combining Statement of Net Assets and Combining Statement of Activities. Beginning net assets (before eliminations) were decreased by $14 million on the Combining Statement of Activities for Discretely Presented Component Units to reflect the elimination of the New York State Foundation for Science, Technology and Innovation as a component unit of the State. Additional information about each of the Corporations can be obtained by contacting the Corporations directly and requesting a copy of their annual financial reports, or by visiting their websites.

Certain Corporations issue revenue bonds for independent third-party entities to provide funding for the projects of those third parties. These bonds are considered conduit debt and are secured by payments made by third party entities and in some cases certain other pledged funds. These bonds do not constitute a debt or pledge of the faith and credit of the Corporations or the State, other than the amounts reported in the State's financial statements. DASNY, the New York State Housing Finance Agency (HFA), the Environmental Facilities Corporation (EFC), the New York State Energy Research and Development Authority (NYSERDA) and the New York Job Development Authority (JDA) have issued conduit debt and have elected different, but permissible, methods of accounting for it under GAAP. DASNY has elected to report conduit debt and related assets on its balance sheet. At March 31, 2012, the liability reported for such debt was approximately $21.7 billion. HFA reports

conduit debt and related assets on its balance sheet. At October 31, 2011, the liability HFA reported for such debt was approximately $8.3 billion. At March 31, 2012, EFC's balance sheet did not include $203 million in bonds it issued for certain private companies. NYSERDA has issued conduit debt for participating gas and electric companies and other third party entities, the principal of which totaled approximately $3.4 billion at March 31, 2012, which is not included on NYSERDA's balance sheet. Local Development Corporations that are blended component units of JDA have issued conduit debt which is not included on JDA's combined balance sheet. At March 31, 2012, the principal on these bonds totaled approximately $6.6 billion.

Power Authority

The Power Authority of the State of New York (NYPA) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. NYPA generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities. Three of NYPA's largest facilities are the Niagara Power Project at Lewiston, the Blenheim-Gilboa Pumped Storage Power Project at Blenheim and Gilboa and the St. Lawrence-Franklin D. Roosevelt Power Project at Massena. These hydroelectric facilities have the capability of producing 2,441,000, 1,100,000 and 800,000 kilowatts, respectively.

NYPA has loaned approximately $318 million of reserves to the State treasury. The State has recorded a corresponding liability in its financial statements. The individual financial statements of NYPA are available on the web at *www.nypa.gov.*

Housing Finance Agency

HFA was created as a public benefit corporation in 1960 under Article III of the Private Housing Finance Law. HFA is empowered to finance or contract for the financing of the construction, acquisition, or refinancing of loans for: low-to-moderate income housing; municipal health facilities; non-profit health care facilities; community related facilities; and to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs. HFA, through its Capital Grant Low Rent Assistance Program, rents housing to low and middle income persons and families. HFA also participates in Federal housing assistance programs which provide interest reduction and rental assistance subsidies to eligible projects and tenants. HFA administers the State's Housing Project Repair and Infrastructure Trust Fund Programs.

To finance low income housing, HFA raises funds through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. HFA is authorized to issue bonds in the amount of approximately $16.3 billion to finance housing projects, and approximately $2.6 billion in Service Contract Obligation Revenue Bonds, Service Contract Revenue Bonds and Personal Income Tax Revenue Bonds. Total bond indebtedness reported as of October 31, 2011 is approximately $10.2 billion. The individual financial statements of HFA can be obtained by contacting them at *www.nyshcr.org.*

Thruway Authority

The New York State Thruway Authority (NYSTA) was created as a public benefit corporation by the State Legislature in 1950 with powers to construct, operate and maintain a Thruway system. In 1991, the Legislature empowered NYSTA to issue Local Highway and Bridge Service Contract (LHB) Bonds to provide funds to municipalities throughout the State for qualifying capital expenditures under State programs. In August 1992, the Legislature created the New York State Canal Corporation (NYSCC) as a subsidiary corporation of NYSTA to accept jurisdiction and control over the State Canal System from the State. In 1993, the Legislature authorized NYSTA to issue Highway and Bridge Trust Fund (HBTF) Bonds to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's multi-year Highway and Bridge Capital Program. In 2001, the Legislature authorized NYSTA to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge and multi-modal capital project expenditures under established State programs.

The financial position of and activities relating to the special bond programs (LHB, HBTF and PIT) are reported within the funds of the State rather than under the public benefit corporations because these special bond programs are not separate legal entities but are considered funds of the State. Columns headed "Thruway Authority" reflect the operations of the Thruway system and the NYSCC. The individual financial statements of NYSTA can be obtained by contacting them at *www.thruway.ny.gov.*

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (MTA) was created to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York City metropolitan area. The accounts presented as the MTA are the combined accounts of its nine affiliates and subsidiaries. The MTA operates the largest transit and commuter rail transportation system in North America and one of the largest in the world. The MTA is dependent upon the State for a portion of its revenues. During the MTA fiscal year ended December 31, 2011, the MTA reported $3.9 billion in payments from the State. A significant portion of that aid was in payments from the State's Mass Transportation Operating

Assistance Fund, a Special Revenue Fund, which derives a major portion of its receipts from taxes imposed in the Metropolitan Transportation District for this purpose. Another significant portion of that aid came from the Metropolitan Commuter Transportation Mobility Tax enacted in 2009, which is a tax imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Transportation District. The State also provides funding to pay the debt service on approximately $2 billion in bonds issued by MTA for its capital projects. The State has limited issuance of this debt to $165 million in annual debt service with a final maturity not to exceed July 1, 2031. Debt service on MTA State Service Contract debt has been fully utilized. Capital assets acquired prior to April 1982 for the New York City Transit Authority (NYCTA) were funded primarily by New York City through capital grants. New York City has title to a substantial portion of such assets and they are not included among the assets reported under MTA. In certain instances, title to real property used by the Triborough Bridge and Tunnel Authority (TBTA) may revert to New York City in the event TBTA determines it is not needed for corporate purposes. The Federal government has a contingent equity interest in assets acquired by the MTA with Federal funds, and upon disposal of such assets, the Federal government may have a right to its share of the proceeds from the sale. The individual financial statements of the MTA can be obtained by contacting them at *www.mta.info*.

Dormitory Authority

The Dormitory Authority of the State of New York (DASNY) is a public benefit corporation established in 1944. DASNY's purpose is to finance, design, construct, purchase, reconstruct and/or rehabilitate buildings (projects) for use by public and private educational and other not-for-profit institutions (institutions) located within the State, certain State agencies, local school districts, and cities and counties with respect to court facilities.

DASNY's outstanding bonds and notes of $44.5 billion consist mainly of debt issued for independent institutions ($10.8 billion), SUNY projects ($8.9 billion), New York State agency projects ($8.9 billion), health care facilities ($7.8 billion) and CUNY projects ($4.2 billion). The remaining debt was issued for projects for municipal facilities and other non-profit organizations. The financial statements of DASNY can be obtained at *www.dasny.org*.

Long Island Power Authority

The Long Island Power Authority (LIPA) was established as a corporate municipal instrumentality of the State. On May 28, 1998, the LIPA Acquisition Corporation, a wholly-owned subsidiary of LIPA, was merged with and into the Long Island Lighting Company (LILCO) pursuant to an Agreement and Plan of Merger dated as of June 26, 1997. LIPA, as owner of the transmission and distribution system located in Nassau, Suffolk and a small portion of Queens counties, is responsible for supplying electricity to customers in the service area.

LIPA financed the cost of the merger and the refinancing of certain of LILCO's outstanding debt by the issuance of $6.7 billion aggregate principal amount of Electric System General Revenue Bonds and Electric System Subordinated Revenue Bonds. In addition, LIPA assumed $1.2 billion of LILCO's General and Refunding Bonds which were defeased immediately upon the closing of the merger. The excess of the acquisition costs over the fair value of net assets acquired ($3.5 billion) has been reported as an "intangible asset," which is being amortized over a 35-year period which began May 28, 1998. The individual financial statements of LIPA can be obtained by contacting them at *www.lipower.org*.

Urban Development Corporation

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC conducts business as Empire State Development. UDC is engaged in three principal activities: economic development, special projects throughout the State financed by revenue bonds, and real estate projects financed by general and corporate purpose bonds.

UDC's efforts in economic development projects are primarily funded by State appropriations and State supported bonds, and are directed at several activities involving civic, commercial, high technology, and industrial development within the State. UDC provides financial assistance through loans, grants, tax credits, low cost project financing, including loans and interest subsidy grants, and technical assistance in management, financing and project design. Economic development activities also include special projects, often of considerable magnitude, which are carried out through various consolidated subsidiaries.

UDC issues revenue bonds, the proceeds of which are used primarily for construction and renovation of State correctional facilities, to refinance State office facilities or construct technology facilities for universities located within the State, to finance youth facilities, to finance the acquisition of certain lands, to construct and/or improve various civic and community facilities, and for economic development and preservation of natural resources located throughout the State. Under related agreements, UDC receives periodic State appropriations in amounts sufficient to pay the debt service on the bonds.

UDC was originally created to facilitate the development of affordable housing for low, moderate and middle-income persons and families. Since the mid-1970s, UDC activity in this area has been limited to the monitoring and loan servicing of existing projects. UDC continues its efforts to promote economic development throughout the State. Its mission is to

promote a vigorous and growing economy, encourage the creation of new jobs and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use loans, grants, tax credits and other forms of financial assistance UDC strives to enhance private business investment and growth to spur job creation and support prosperous communities across the State. The financial statements of the UDC are available at *www.esd.ny.gov.*

State Insurance Fund

The State Insurance Fund (SIF) is comprised of the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

During previous fiscal years, the SIF transferred approximately $1.3 billion to the State's General Fund and Other Governmental Funds. The statutes authorizing these transfers required that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund. The entire receivable and equity related to these transfers were eliminated from the presentation of the SIF, resulting in a fund balance of approximately $1.6 billion.

The SIF's financial statements are prepared in conformity with the accounting practices prescribed by the Insurance Department of the State of New York, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America. Major departures from GAAP include: the contingent receivable from the State of $1.3 billion would be discounted for collectibility and imputed interest; and the SIF established a reserve for security fluctuations to provide for the difference between amortized cost and fair value, where under GAAP, no such reserve would be allowed. Bonds are generally carried at amortized cost. Under GAAP, bonds are classified into "held to maturity" and reported at amortized cost, "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus. The net unrealized gains and losses from investments in common stock are reported in unassigned surplus and dividend income generally is reported when received. Under GAAP, common stocks are classified as either "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus. Policy acquisition costs are expensed as incurred, whereas under GAAP they would be deferred and amortized to income on the same basis as premium income is recognized; certain assets designated as non-admitted assets (principally premiums in the course of collection over 90 days and office furniture and equipment) are charged directly against the surplus, where under GAAP they would be included in total assets less valuation allowances; and comprehensive income and its components are not presented in the SIF's financial statements. A more complete list of departures from GAAP is disclosed in the SIF's financial statements, which may be obtained from *ww3.nysif.com.*

State of New York Mortgage Agency

The State of New York Mortgage Agency (SONYMA) makes mortgages available to first-time and other qualifying home buyers through its Low Interest Rate Program and other specialized home ownership programs. To accomplish this purpose, SONYMA issues tax-exempt mortgage revenue bonds for direct issuance of forward commitments for new mortgage loans through participating financial institutions. SONYMA also provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Program. By statute, all costs of providing mortgage insurance are recovered from a State mortgage recording tax surcharge, which is a dedicated tax revenue stream received directly by SONYMA. In April 2009, SONYMA's statutory authority to purchase education loans was updated and expanded in order to permit the Agency to work with the New York State Higher Education Services Corporation in developing a new program to offer education loans to eligible students attending colleges and universities in New York State. The financial statements of SONYMA can be obtained by contacting them at *www.nyshcr.org.*

Environmental Facilities Corporation

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation, formed pursuant to the New York State Environmental Facilities Corporation Act. The mission of EFC is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Its purpose is to help public and private entities comply with Federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. EFC promotes innovative technologies and practices in all corporate programs. EFC is governed by a board of directors, which consists of seven members.

The services offered by EFC include providing low-cost capital for both water quality protection and water supply projects through the Clean Water and Drinking Water State Revolving Funds; assisting municipalities, businesses, and State agencies to understand and comply with environmental laws and regulations through the Technical Advisory Services Program, including protecting the New York City Watershed, and helping small businesses comply with air pollution standards; and providing low-cost capital and other financial assistance

to New York businesses for environmental protection projects through the Industrial Finance and Financial Assistance to Business programs. The complete audited financial statements and related footnotes as well as additional information regarding EFC can be obtained by visiting EFC at *www.nysefc.org*.

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 7, the State services a significant portion of the bonds and notes payable of certain Corporations.

Note 15 Joint Ventures

A joint venture is an entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The only material joint venture in which the State has a financial interest is the Port Authority of New York and New Jersey (Port Authority).

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. The Port Authority is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the port district, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering around New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective state senate. Governors have from time to time exercised their statutory power to veto the actions of the commissioners from their states.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit. The Port Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

The liabilities of the Port Authority include $15.6 billion of consolidated bonds. Consolidated bonds and notes are equally and ratably secured by a pledge of the net revenues of all existing facilities and any additional facilities which may be financed in whole or in part through the medium of consolidated bonds and notes.

The Port Authority's Comprehensive Annual Financial Report is available from the Public Affairs and Comptroller's Departments of the Port Authority of New York and New Jersey, 225 Park Avenue South, New York, NY 10003-1604, or the Port Authority website at *www.panynj.gov*.

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 2011 disclosed the following (amounts in millions):

Financial Position

Total assets	$	33,918
Total liabilities		(22,192)
Net assets	**$**	**11,726**

Operating Results

Operating revenues	$	3,800
Operating expenses		(2,565)
Depreciation and amortization		(930)
Expenses related to September 11, 2001		—
Income from operations		**305**
Passenger facility charges		215
Financial income (expense), net		(598)
Contribution in aid of construction and grants		779
World Trade Center retail insurance proceeds		—
Net income	**$**	**701**

Changes in Net Assets

Balance at January 1, 2011	$	11,025
Net income		701
Balance at December 31, 2011	**$**	**11,726**

Note 16 Subsequent Events

The Statement of Net Assets presents bonds and other financing arrangements outstanding as of the statement date, which is March 31, 2012 except for business-type activities related to SUNY and CUNY Enterprise Funds reported as of June 30, 2011. Subsequent to those dates, the following bonds and other financing arrangements were issued (amounts in millions):

BONDS AND OTHER FINANCING ARRANGEMENTS ISSUED SUBSEQUENT TO DATE OF THE STATEMENT OF NET ASSETS

Issuer	Purpose	Date	Series	Par Amount
Dormitory Authority	SUNY Educational Facilities, Refunding	2/23/2012	Third General Resolution Revenue Bonds, Series 2012A	$ 838
New York Local Government Assistance Corporation	Refunding	6/1/2012	Subordinate Lien, Series 2012A	$ 87
Dormitory Authority	General Purpose, Refunding	6/28/2012	Personal Income Tax, Series 2012A	$1,815

The State University of New York was the defendant in litigation to resolve a dispute over the price paid for land in an eminent domain action. The New York Court of Claims issued an opinion awarding the plaintiff what it was seeking plus interest. In July 2012, SUNY made a payment to the plaintiff for $167.5 million.

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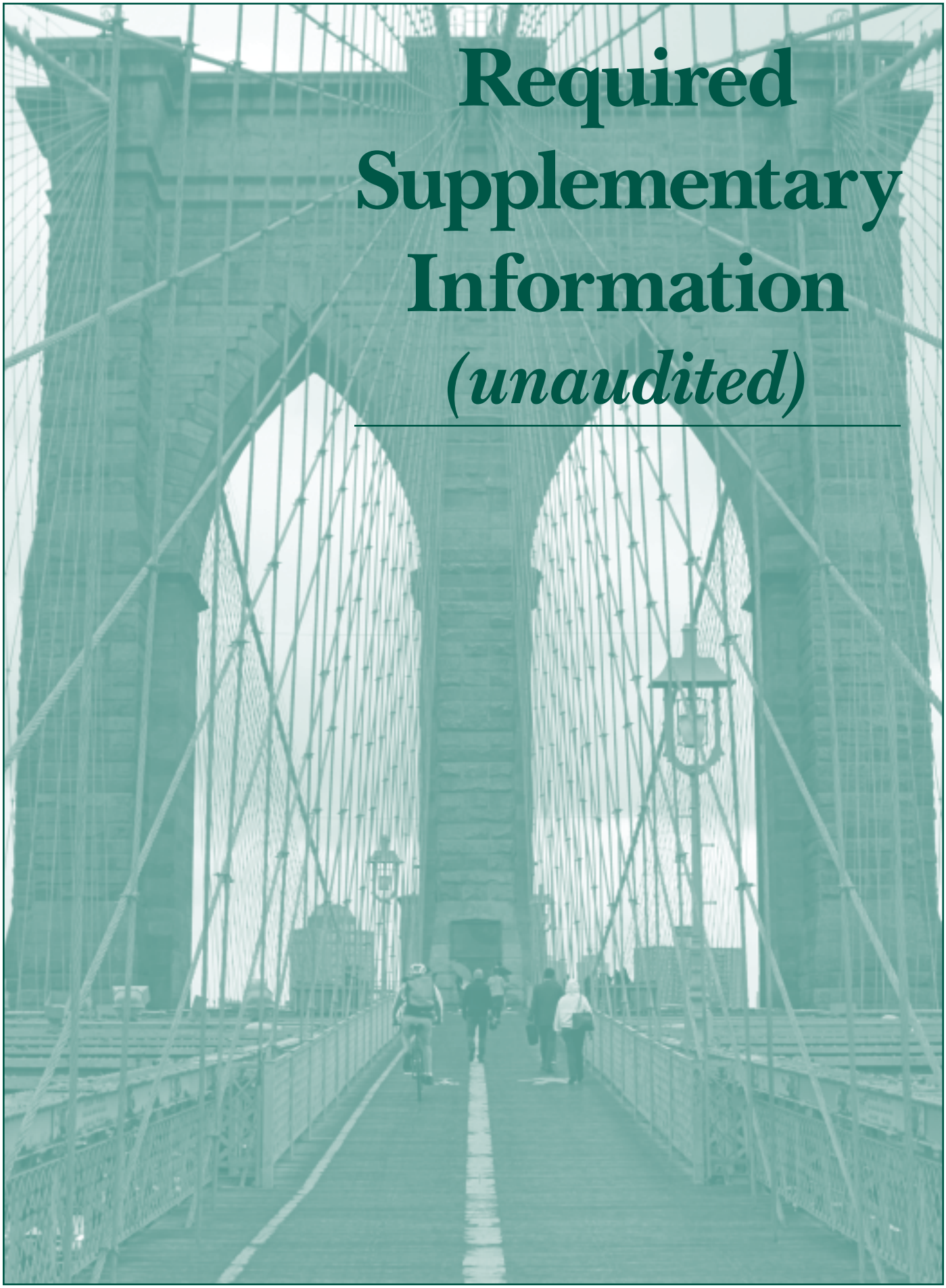


Required Supplementary Information

(unaudited)

Budgetary Basis—Financial Plan and Actual—Combined Schedule of Cash Receipts and Disbursements

MAJOR FUNDS—GENERAL FUND AND FEDERAL SPECIAL REVENUE FUND

Year Ended March 31, 2012
(Amounts in millions) (Unaudited)

	General			
	Financial Plan Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
RECEIPTS:				
Taxes	$ 42,237	$ 41,920	$ 41,754	$ (166)
Miscellaneous	3,098	3,244	3,162	(82)
Federal grants	60	60	60	—
Total receipts	**45,395**	**45,224**	**44,976**	**(248)**
DISBURSEMENTS:				
Local assistance grants[1]	38,888	38,515	38,419	96
State operations	7,356	7,565	7,494	71
General State charges[1]	4,668	4,707	4,720	(13)
Total disbursements	**50,912**	**50,787**	**50,633**	**154**
Excess (deficiency) of receipts over disbursements	**(5,517)**	**(5,563)**	**(5,657)**	**(94)**
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	11,898	11,990	11,924	(66)
Transfers to other funds	(6,020)	(6,128)	(5,856)	272
Net other financing sources (uses)	**5,878**	**5,862**	**6,068**	**206**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 361**	**$ 299**	**$ 411**	**$ 112**

Notes:

(1) Spending authority has not been exceeded by $937 million in the Federal Special Revenue Fund or $13 million in the General Fund because the Final Financial Plan (published approximately 6 weeks before fiscal year-end) does not reflect an increase in spending authority of $937 million approved for local assistance grants or $13 million approved for general state charges through March 31, 2012.

See notes to required supplementary information.

Federal Special Revenue

Financial Plan Amounts		Actual (Budgetary Basis)	Variance with Final Budget
Original	Final		
$ —	$ —	$ —	$ —
132	132	166	34
40,870	41,600	42,355	755
41,002	**41,732**	**42,521**	**789**
34,932	35,710	36,647	(937)
1,695	1,602	1,577	25
303	296	262	34
36,930	**37,608**	**38,486**	**(878)**
4,072	**4,124**	**4,035**	**(89)**
1	1	—	(1)
(4,073)	(4,125)	(4,083)	42
(4,072)	**(4,124)**	**(4,083)**	**41**
$ —	**$ —**	**$ (48)**	**$ (48)**

NOTES TO BUDGETARY BASIS REPORTING
(unaudited)

Budgetary Basis Reporting

The State Constitution requires the Governor to submit annually an Executive Budget, which contains plans for all funds of expenditures and disbursements for the ensuing fiscal year, as well as all monies and revenues estimated to be available. Bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures and disbursements accompany the Executive Budget. Reappropriations are commonly used for federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. Budgets are prepared and enacted for all funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes a cash basis financial plan that must be in balance, i.e., disbursements must not exceed available receipts.

The Legislature enacts appropriation bills and revenue measures containing those parts of the Executive Budget it has approved or modified. The Legislature may also enact supplemental appropriation or special appropriation bills after it completes action on the Executive Budget. Further, when the Legislature convenes in January, it may enact deficiency appropriations to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made. Pursuant to State law, once the Legislature has completed action on the appropriation and revenue bills and they are approved by the Governor, the cash basis and the GAAP basis financial plans must be revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, provides a summary of projected receipts, disbursements and fiscal year-end balances. Such plans are updated quarterly throughout the fiscal year by the Governor, and include a comparison of the actual year-to-date results with the latest revised plans, providing an explanation of any major deviations and any significant changes to the financial plans. Projected disbursements are based on agency staffing levels, program caseloads, levels of service needs, formulas contained in State and Federal law, inflation and other factors. All projections account for the timing of payments, since not all the amounts appropriated in the Budget are disbursed in the same fiscal year.

The State's central accounting system includes controls over expenditures to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Expenditures are controlled at the major object level within each program or project of each State agency in accordance with the underlying appropriation purpose. Compliance with the level of legal control is reported in a separate document entitled, *"Appropriation/Segregation Accounts."* This document reports both expenditures and encumbrances which reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. A copy of this report is available upon request by contacting the State Comptroller's Communication Office at 110 State Street, 15th floor, Albany, New York 12236 or by phone at (518) 474-4015. Encumbrances are not considered a disbursement in the financial plan or an expenditure and expense in the basic financial statements. Generally, appropriations are available for liabilities incurred during the fiscal year. Following the end of the fiscal year, a 'lapse period' is provided to liquidate prior year liabilities. Unless reappropriated, most State operations appropriations cease on June 30th and local assistance, debt service, capital projects and federal fund appropriations cease on September 15th—following the end of the fiscal year. Disbursements made during the lapse period from prior year appropriations are included, together with disbursements from new year appropriations, in the subsequent fiscal year financial plan. Many appropriations enacted are not intended to be used, although required by law. These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan disbursement amounts. Actual disbursements for certain spending categories exceeded financial plan estimates (as reported in the Budgetary Basis—Financial Plan and

Actual) but did not exceed total enacted appropriations authority. Most Capital Projects and Federal fund appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the life of such appropriations may be many years. If the budget is not enacted by April 1st, the legislature enacts special emergency appropriations to continue government functions, as was done in April 2010.

The following presents a reconciliation of the budgetary cash basis operating results as shown in the preceding Budgetary Basis—Financial Plan and Actual Combining Schedule of Cash Receipts and Disbursements (Schedule) with the GAAP-basis operating results reported in the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)—Governmental Funds (Statement) (amounts in millions):

	General	Federal Special Revenue
Receipts and other financing sources over disbursements and other financing uses per Schedule	$ 411	$ (48)
Entity differences:		
Receipts and other financing sources over disbursements and other financing uses for funds and accounts not included in the cash basis financial plan	(133)	(12)
Perspective differences:		
Receipts and other financing sources over disbursements and other financing uses for funds treated as Special Revenue Funds in the financial plan and part of the General Fund for GAAP reporting	(243)	—
Temporary interfund cash loans	23	(57)
Basis of accounting differences:		
Revenue accrual adjustments	(660)	(2,057)
Expenditure accrual adjustments	739	2,201
Net Change in Fund Balances	**$ 137**	**$ 27**

The entity differences relate to the inclusion of certain funds considered to be Proprietary Funds for purposes of the cash basis financial plan. Perspective differences relate to variations in the presentation of the cash basis financial plan fund structure versus GAAP fund structure. A perspective difference for temporary interfund loans occurs when a fund temporarily overdraws its share of the pooled investment funds. These temporary loans are covered by the General Fund's share of the pool. A perspective difference relating to the Infrastructure Trust Fund and Earmarked Revenue Accounts occurs because these funds are included in the Special Revenue Funds cash basis financial plan while the GAAP basis presentation includes them in the General Fund.

INFRASTRUCTURE ASSETS USING THE MODIFIED APPROACH
(unaudited)

In accordance with GAAP, the State has adopted an alternative method for recording depreciation expense for the State's network of roads and bridges maintained by the Department of Transportation. Under this method, referred to as the modified approach, the State will not report depreciation expense for roads and bridges but will capitalize all costs that add to the capacity and efficiency of State owned roads and bridges. Generally, all maintenance and preservation costs will be expensed and not capitalized.

In order to adopt the modified approach, the State is required to meet the following criteria:

1. Maintain an asset management system that includes a current inventory of eligible infrastructure assets.
2. Conduct condition assessments of eligible assets and summarize the results using a measurement scale.
3. Estimate each year the annual amount necessary to maintain and preserve the eligible assets at the condition level established and disclosed by the State.
4. Document that the assets are being preserved approximately at, or above, the established condition level.

Roads

The State Department of Transportation maintains the Pavement Management System (PMS) which supports a construction program that preserves the State's investment in its roads. The PMS contains locational, operational and historical condition data. The PMS is used to determine the appropriate program for improving the asset condition and to determine future funding levels necessary to meet condition goals. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens.

The State annually conducts an assessment of the pavement condition of the State's road network. Trained technicians rate the condition of the pavement based on surface condition and dominant distress (e.g., cracking, faulting) using a scale of A1 (very poor) to A10 (excellent) based on the prevalence of a surface-related pavement distress. A pavement condition rating (PCR) is assigned to each surface section. The State currently has 42,651 lane miles of roads.

It is the State's intention to maintain the roads at an average PCR between 6.7 and 7.2.

Bridges

The State Department of Transportation maintains the Bridge Management System (BMS) which supports a construction program that preserves the State's investment in its bridges. The BMS is used in planning construction programs and estimating construction costs. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens.

The State conducts biennial inspections of all bridges in the State. The State uses a numerical inspection condition rating scale ranging from 1 (minimum) to 7 (maximum). During each general inspection, various components or elements of each bridge span are rated by the inspector as to the extent of deterioration, as well as the component's ability to function structurally relative to when it was newly designed and constructed. The element rating values are combined using a weighted average formula to compute an overall bridge condition rating value for each bridge. A rating of 6 to 7 is excellent, which indicates that no repairs are necessary. A rating of 3 to 5 is fair to good, which indicates that minor repairs are required. A rating of 1 to 2 is deficient, which indicates major repairs or replacement are necessary. The State has approximately 7,871 bridges.

It is the State's intention to maintain the bridges at an average condition rating level between 5.3 and 5.6.

Comparison of Estimated-to-Actual Maintenance/Preservation Costs

Preservation of the roads and bridges is accomplished through construction programs managed by the PMS and BMS. The following presents the State's estimate of costs necessary to preserve and maintain the network of roads and bridges at, or above, the established condition level, compared to the actual costs incurred during fiscal year 2011-2012 (amounts in millions):

Pavement and Bridge Condition Summary as of December 31:

Year	Pavement Average Surface Rating	Bridges Average Condition Rating
2011	6.87	5.35
2010	6.84	5.37
2009	6.91	5.38
2008	6.93	5.39
2007	6.86	5.41
2006	6.90	5.42
2005	6.81	5.43

Actual Preservation/Maintenance Costs as of March 31:

(Amounts in millions)

	2012	2011	2010	2009	2008
Total roads	$ 930	$ 944	$ 1,140	$ 1,088	$ 981
Total bridges	281	241	288	203	329
Total	**$ 1,211**	**$ 1,185**	**$ 1,428**	**$ 1,291**	**$ 1,310**

Estimated Preservation/Maintenance Costs as of March 31:

(Amounts in millions)

	2012	2011	2010	2009	2008
Total roads	$ 712	$ 905	$ 1,072	$ 1,015	$ 914
Total bridges	184	256	229	116	200
Total	**$ 896**	**$ 1,161**	**$ 1,301**	**$ 1,131**	**$ 1,114**

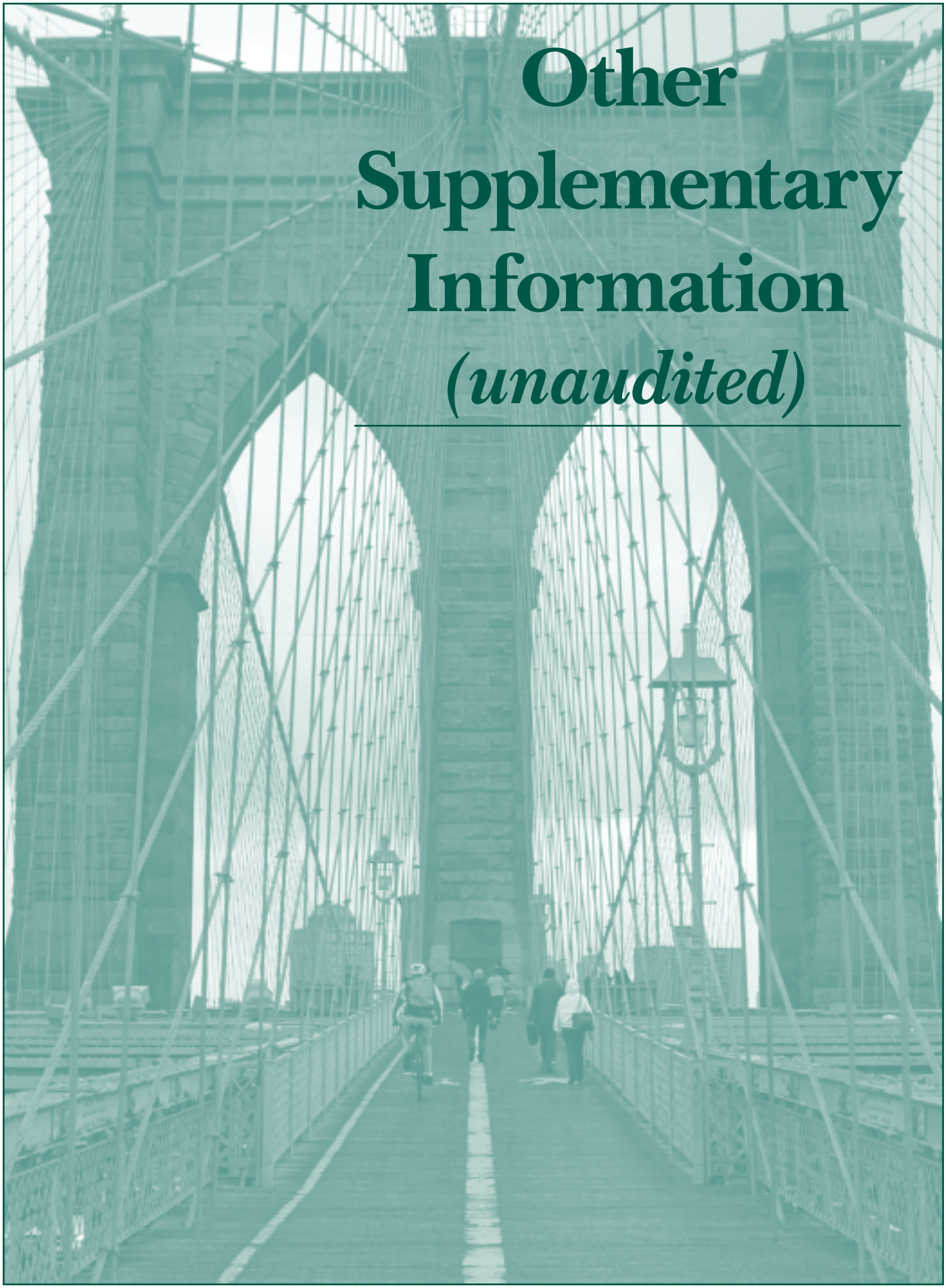
SCHEDULE OF FUNDING PROGRESS

(unaudited)

Other Postemployment Benefits

(Amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
Governmental Activities:						
April 1, 2010	$ —	$ 59,668	$ 59,668	—%	$ 8,942	667.3%
April 1, 2008	$ —	$ 46,316	$ 46,316	—%	$ 8,864	522.5%
April 1, 2006	$ —	$ 39,059	$ 39,059	—%	$ 7,177	544.2%
Business-type Activities:						
SUNY						
April 1, 2010	$ —	$ 12,352	$ 12,352	—%	$ 3,037	406.7%
April 1, 2008	$ —	$ 9,560	$ 9,560	—%	$ 3,008	317.8%
April 1, 2006	$ —	$ 8,261	$ 8,261	—%	$ 2,527	326.9%
CUNY						
June 30, 2010	$ —	$ 1,161	$ 1,161	—%	$ 918	126.5%
June 30, 2009	$ —	$ 1,043	$ 1,043	—%	$ 865	120.6%
June 30, 2008	$ —	$ 950	$ 950	—%	$ 786	120.9%
June 30, 2006	$ —	$ 936	$ 936	—%	$ 696	134.5%



Other Supplementary Information

(unaudited)

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General Fund

The General Fund is the most significant of the State's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund.

The General Fund is divided into several accounts. Expenditures in the form of aid to local governments for their general purposes (e.g., State-local revenue sharing) and to school districts and municipalities for certain specific purposes (e.g., education and social services) are made from the Local Assistance account. These payments, often based on specific legislated formulas, are nevertheless limited under the State Constitution to appropriations in force. Expenditures from the Local Assistance account normally comprise approximately 60 percent of General Fund expenditures.

The expenditures of operating the departments of the Executive Branch, the Legislature and the Judiciary, as well as expenditures for general state charges such as contributions to employee retirement systems, are paid primarily from the State Purposes account and normally comprise approximately 40 percent of the General Fund expenditures.

Combining Schedule of Balance Sheet Accounts

GENERAL FUND

March 31, 2012
(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day
ASSETS:					
Cash and investments	$ 81	$ —	$ 1,131	$ 102	$ 175
Receivables, net of allowance for uncollectibles:					
Taxes	—	8,762	—	—	—
Other	1,226	70	—	3	—
Due from other funds	—	917	—	—	—
Other assets	60	98	—	—	—
Total assets	**$ 1,367**	**$ 9,847**	**$ 1,131**	**$ 105**	**$ 175**
LIABILITIES:					
Tax refunds payable	$ —	$ 7,136	$ —	$ —	$ —
Accounts payable	—	54	—	—	—
Accrued liabilities	1,744	812	—	—	—
Payable to local governments	2,727	—	—	2	—
Due to other funds	395	1,322	—	—	—
Pension contributions payable	—	213	—	—	—
Deferred revenues	65	814	—	3	—
Total liabilities	**4,931**	**10,351**	**—**	**5**	**—**
FUND BALANCES (DEFICITS):					
Committed	—	—	—	—	175
Assigned	231	55	—	100	—
Unassigned	(3,795)	(559)	1,131	—	—
Total fund balances (deficits)	**(3,564)**	**(504)**	**1,131**	**100**	**175**
Total liabilities and fund balances (deficits)	**$ 1,367**	**$ 9,847**	**$ 1,131**	**$ 105**	**$ 175**

See independent auditors' report.

Refund Reserve	Fringe Benefit Escrow	Earmarked Revenue	Miscellaneous	Eliminations	Totals 2012	Totals 2011
$ 6	$ —	$ 677	$ 104	$ —	**$ 2,276**	$ 2,218
—	—	—	—	—	**8,762**	9,080
—	—	110	5	—	**1,414**	1,472
352	568	78	1	(454)	**1,462**	1,722
—	—	1	—	—	**159**	332
$ 358	**$ 568**	**$ 866**	**$ 110**	**$ (454)**	**$ 14,073**	**$ 14,824**
$ —	$ —	$ —	$ —	$ —	**$ 7,136**	$ 7,133
—	—	23	2	—	**79**	309
—	—	323	11	—	**2,890**	3,204
—	—	56	—	—	**2,785**	3,153
—	—	487	29	(454)	**1,779**	1,807
—	—	—	—	—	**213**	189
—	—	176	1	—	**1,059**	1,038
—	**—**	**1,065**	**43**	**(454)**	**15,941**	**16,833**
358	—	—	34	—	**567**	219
—	568	568	52	—	**1,574**	989
—	—	(767)	(19)	—	**(4,009)**	(3,217)
358	**568**	**(199)**	**67**	**—**	**(1,868)**	**(2,009)**
$ 358	**$ 568**	**$ 866**	**$ 110**	**$ (454)**	**$ 14,073**	**$ 14,824**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts

GENERAL FUND

Year Ended March 31, 2012
(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day
REVENUES:					
Taxes:					
Personal income	$ —	$ 25,024	$ —	$ —	$ —
Consumption and use	—	8,875	—	—	—
Business	—	5,644	—	—	—
Other	—	1,091	—	—	—
Federal grants	—	59	—	—	—
Miscellaneous	—	3,274	—	—	—
Total revenues	**—**	**43,967**	**—**	**—**	**—**
EXPENDITURES:					
Local assistance grants:					
Social services	13,501	—	—	5	—
Education	20,155	—	—	4	—
Mental hygiene	62	—	—	—	—
General purpose	1,017	—	—	1	—
Health and environment	1,398	—	—	3	—
Transportation	502	—	—	—	—
Criminal justice	130	—	—	1	—
Miscellaneous	363	—	—	17	—
State operations:					
Personal service	—	5,151	—	—	—
Non-personal service	1	1,566	—	—	—
Pension contributions	—	1,460	—	—	—
Other fringe benefits	—	1,908	—	—	—
Total expenditures	**37,129**	**10,085**	**—**	**31**	**—**
Excess (deficiency) of revenues over expenditures	**(37,129)**	**33,882**	**—**	**(31)**	**—**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	41,410	12,339	100	6	—
Transfers to other funds	(4,082)	(46,741)	—	—	—
Financing arrangements issued	352	—	—	—	—
Premiums on bonds issued	53	—	—	—	—
Net other financing sources (uses)	**37,733**	**(34,402)**	**100**	**6**	**—**
Net change in fund balances	**604**	**(520)**	**100**	**(25)**	**—**
Fund balances (deficits) at April 1, 2011, as restated	**(4,168)**	**16**	**1,031**	**125**	**175**
Fund balances (deficits) at March 31, 2012	**$ (3,564)**	**$ (504)**	**$ 1,131**	**$ 100**	**$ 175**

See independent auditors' report.

Refund Reserve	Fringe Benefit Escrow	Earmarked Revenue	Miscellaneous	Eliminations	Totals 2012	Totals 2011
$ —	$ —	$ —	$ —	$ —	**$ 25,024**	$ 24,895
—	—	—	—	—	**8,875**	8,578
—	—	—	—	—	**5,644**	5,129
—	—	—	—	—	**1,091**	1,268
—	—	1	—	—	**60**	55
—	2,202	3,103	648	(1,577)	**7,650**	7,144
—	**2,202**	**3,104**	**648**	**(1,577)**	**48,344**	**47,069**
—	—	845	—	—	**14,351**	12,425
—	—	21	4	—	**20,184**	19,862
—	—	1,779	—	—	**1,841**	1,660
—	—	24	—	—	**1,042**	1,037
—	—	412	—	—	**1,813**	1,838
—	—	—	1	—	**503**	476
—	—	53	—	—	**184**	177
—	—	59	1	—	**440**	402
—	—	3,239	113	—	**8,503**	8,863
—	142	1,376	344	(122)	**3,307**	3,072
—	—	—	—	—	**1,460**	1,152
—	2,154	1,432	244	(1,455)	**4,283**	4,126
—	**2,296**	**9,240**	**707**	**(1,577)**	**57,911**	**55,090**
—	**(94)**	**(6,136)**	**(59)**	**—**	**(9,567)**	**(8,021)**
358	—	6,755	173	(45,604)	**15,537**	15,773
(13)	—	(908)	(98)	45,604	**(6,238)**	(6,638)
—	—	—	—	—	**352**	368
—	—	—	—	—	**53**	47
345	**—**	**5,847**	**75**	**—**	**9,704**	**9,550**
345	**(94)**	**(289)**	**16**	**—**	**137**	**1,529**
13	**662**	**90**	**51**	**—**	**(2,005)**	**(3,538)**
$ 358	**$ 568**	**$ (199)**	**$ 67**	**$ —**	**$ (1,868)**	**$ (2,009)**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

Federal Special Revenue Fund

The Federal Special Revenue Fund is a major fund that accounts for most federal revenues and expenditures.

The Federal Special Revenue Fund is divided into several accounts. The Fund accounts for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictates that federal grants be accounted for in a number of separate accounts. These accounts include the Federal USDA—Food and Nutrition Services Account, the Federal Health and Human Services Account, the Federal Education Account, the Federal DHHS Block Grant Account, the Federal Operating Grants Account, the Unemployment Insurance Administration Account, the Federal Unemployment Insurance Occupational Training Account, and the Federal Employment and Training Grants Account.

Combining Schedule of Balance Sheet Accounts

FEDERAL SPECIAL REVENUE FUND

March 31, 2012
(Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants
ASSETS:					
Cash and investments	$ —	$ —	$ 1	$ —	$ 70
Receivables, net of allowance for uncollectibles:					
Due from Federal government	5	4,292	34	4	171
Other	37	540	—	—	—
Due from other funds	—	—	—	—	—
Other assets	7	28	2	—	10
Total assets	**$ 49**	**$ 4,860**	**$ 37**	**$ 4**	**$ 251**
LIABILITIES:					
Accounts payable	$ 1	$ 12	$ 4	$ —	$ 3
Accrued liabilities	1	2,365	6	—	5
Payable to local governments	30	1,292	18	—	170
Due to other funds	5	602	7	4	34
Deferred revenues	7	589	2	—	13
Total liabilities	**44**	**4,860**	**37**	**4**	**225**
FUND BALANCES:					
Restricted	5	—	—	—	26
Unassigned	—	—	—	—	—
Total fund balances	**5**	**—**	**—**	**—**	**26**
Total liabilities and fund balance	**$ 49**	**$ 4,860**	**$ 37**	**$ 4**	**$ 251**

See independent auditors' report.

Unemployment Insurance Administration	Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Totals 2012	Totals 2011
$ 43	$ —	$ —	**$ 114**	$ 231
14	—	4	**4,524**	6,393
—	—	—	**577**	790
—	—	—	**—**	5
—	—	—	**47**	45
$ 57	**$ —**	**$ 4**	**$ 5,262**	**$ 7,464**
$ 7	$ —	$ —	**$ 27**	$ 70
22	—	—	**2,399**	3,905
—	—	—	**1,510**	2,166
23	—	4	**679**	673
5	—	—	**616**	646
57	**—**	**4**	**5,231**	**7,460**
—	—	—	**31**	349
—	—	—	**—**	(345)
—	**—**	**—**	**31**	**4**
$ 57	**$ —**	**$ 4**	**$ 5,262**	**$ 7,464**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Accounts

FEDERAL SPECIAL REVENUE FUND

Year Ended March 31, 2012
(Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants
REVENUES:					
Federal grants	$ 7,426	$ 32,571	$ 4,162	$ —	$ 1,044
Miscellaneous	4	—	—	—	—
Total revenues	**7,430**	**32,571**	**4,162**	**—**	**1,044**
EXPENDITURES:					
Local assistance grants:					
Social services	5,907	27,074	—	—	17
Education	810	—	3,886	—	8
Mental hygiene	—	149	1	—	9
Health and environment	613	505	19	—	—
Transportation	—	—	—	—	50
Criminal justice	—	—	—	—	423
Miscellaneous	—	181	20	—	276
State operations:					
Personal service	24	194	86	—	100
Non-personal service	40	255	95	—	97
Pension contributions	2	18	8	—	6
Other fringe benefits	8	53	28	—	20
Total expenditures	**7,404**	**28,429**	**4,143**	**—**	**1,006**
Excess of revenues over expenditures	**26**	**4,142**	**19**	**—**	**38**
OTHER FINANCING USES:					
Transfers to other funds	(25)	(4,142)	(19)	—	(12)
Other financing uses	**(25)**	**(4,142)**	**(19)**	**—**	**(12)**
Net change in fund balances	**1**	**—**	**—**	**—**	**26**
Fund balances at April 1, 2011	**4**	**—**	**—**	**—**	**—**
Fund balances at March 31, 2012	**$ 5**	**$ —**	**$ —**	**$ —**	**$ 26**

See independent auditors' report.

Unemployment Insurance Administration	Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Totals 2012	Totals 2011
$ 338	$ 6	$ 181	**$ 45,728**	$ 52,200
53	—	—	**57**	56
391	**6**	**181**	**45,785**	**52,256**
—	—	1	**32,999**	37,601
—	—	1	**4,705**	5,974
—	—	—	**159**	241
—	—	—	**1,137**	1,113
—	—	—	**50**	57
—	—	—	**423**	259
8	—	152	**637**	765
198	—	14	**616**	676
99	6	7	**599**	677
20	—	1	**55**	60
66	—	5	**180**	196
391	**6**	**181**	**41,560**	**47,619**
—	—	—	**4,225**	**4,637**
—	—	—	**(4,198)**	(4,635)
—	—	—	**(4,198)**	**(4,635)**
—	—	—	**27**	**2**
—	—	—	**4**	**2**
$ —	**$ —**	**$ —**	**$ 31**	**$ 4**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

General Debt Service Fund

The General Debt Service Fund is a major fund that is used to account for the payment of principal and interest on the State's general debt and the payments on certain lease/purchase or other contractual obligations.

The General Debt Service Fund is divided into two accounts. The principal and interest payments for the State's general debt and for certain lease/purchase or other contractual obligations are made from the General Debt Service Account. The principal and interest payments for the Tobacco Settlement Financing Corporation (TSFC) are made from the Tobacco Settlement Financing Corporation Account.

Combining Schedule of Balance Sheet Accounts

GENERAL DEBT SERVICE FUND

March 31, 2012
(Amounts in millions)

	General Debt Service Account	Tobacco Settlement Financing Corporation	Totals 2012	Totals 2011
ASSETS:				
Cash and investments	$ 1,082	$ 461	**$ 1,543**	$ 1,561
Receivables, net of allowance for uncollectibles:				
Taxes	2,263	—	**2,263**	2,352
Due from Federal government	2	—	**2**	2
Other	—	397	**397**	387
Other assets	—	—	**—**	17
Total assets	**$ 3,347**	**$ 858**	**$ 4,205**	**$ 4,319**
LIABILITIES:				
Tax refunds payable	$ 1,753	$ —	**$ 1,753**	$ 1,741
Accrued liabilities	8	—	**8**	6
Payable to local governments	67	—	**67**	74
Due to other funds	369	—	**369**	467
Deferred revenues	66	—	**66**	63
Total liabilities	**2,263**	**—**	**2,263**	**2,351**
FUND BALANCES:				
Restricted	1,058	858	**1,916**	1,926
Committed	26	—	**26**	42
Total fund balances	**1,084**	**858**	**1,942**	**1,968**
Total liabilities and fund balances	**$ 3,347**	**$ 858**	**$ 4,205**	**$ 4,319**

See independent auditors' report.

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Accounts

GENERAL DEBT SERVICE FUND

Year Ended March 31, 2012
(Amounts in millions)

	General Debt Service Account	Tobacco Settlement Financing Corporation	Totals 2012	Totals 2011
REVENUES:				
Taxes:				
Personal Income Tax	$ 10,061	$ —	**$ 10,061**	$ 9,519
Federal grants	38	—	**38**	27
Tobacco settlement	—	395	**395**	390
Miscellaneous	18	3	**21**	38
Total revenues	**10,117**	**398**	**10,515**	**9,974**
EXPENDITURES:				
Non-personal service	36	5	**41**	59
Debt service, including payments on financing arrangements	4,137	385	**4,522**	4,133
Total expenditures	**4,173**	**390**	**4,563**	**4,192**
Excess (deficiency) of revenues over expenditures	**5,944**	**8**	**5,952**	**5,782**
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	3,439	—	**3,439**	3,484
Transfers to other funds	(9,432)	(1)	**(9,433)**	(8,996)
Refunding debt issued	665	959	**1,624**	1,451
Payments to escrow agents for refundings	(722)	(1,058)	**(1,780)**	(1,542)
Swap termination	—	—	**—**	(48)
Premiums on bonds issued	62	110	**172**	145
Net other financing sources (uses)	**(5,988)**	**10**	**(5,978)**	**(5,506)**
Net change in fund balances	**(44)**	**18**	**(26)**	**276**
Fund balances at April 1, 2011	**1,128**	**840**	**1,968**	**1,692**
Fund balances at March 31, 2012	**$ 1,084**	**$ 858**	**$ 1,942**	**$ 1,968**

See independent auditors' report.

Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

GENERAL DEBT SERVICE FUND

Year Ended March 31, 2012
(Amounts in millions)

	Financial Plan	Actual	Variance
RECEIPTS:			
Taxes	$ 9,666	$ 9,692	$ 26
Federal Grants	79	80	1
Total receipts	**9,745**	**9,772**	**27**
DISBURSEMENTS:			
State operations	38	26	12
Debt service	5,056	5,044	12
Total disbursements	**5,094**	**5,070**	**24**
Excess of receipts over disbursements	**4,651**	**4,702**	**51**
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	3,418	3,395	(23)
Transfers to other funds	(8,069)	(8,097)	(28)
Net other financing uses	**(4,651)**	**(4,702)**	**(51)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**

See independent auditors' report.

Other Governmental Funds

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS

March 31, 2012
(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Totals 2012	Totals 2011
ASSETS:					
Cash and investments	$ 2,308	$ 662	$ 2,485	**$ 5,455**	$ 5,560
Receivables, net of allowance for uncollectibles:					
Taxes	339	245	72	**656**	622
Due from Federal government	—	—	179	**179**	104
Other	636	95	194	**925**	1,012
Due from other funds	538	427	158	**1,123**	985
Other assets	8	—	7	**15**	15
Total assets	**$ 3,829**	**$ 1,429**	**$ 3,095**	**$ 8,353**	**$ 8,298**
LIABILITIES:					
Tax refunds payable	$ 224	$ 24	$ 20	**$ 268**	$ 262
Accounts payable	3	1	301	**305**	370
Accrued liabilities	195	9	75	**279**	219
Payable to local governments	82	—	71	**153**	471
Due to other funds	137	219	484	**840**	955
Deferred revenues	175	30	13	**218**	208
Total liabilities	**816**	**283**	**964**	**2,063**	**2,485**
FUND BALANCES:					
Restricted	308	589	307	**1,204**	1,374
Committed	1,068	568	2,053	**3,689**	3,438
Assigned	1,758	—	14	**1,772**	1,784
Unassigned	(121)	(11)	(243)	**(375)**	(783)
Total fund balances	**3,013**	**1,146**	**2,131**	**6,290**	**5,813**
Total liabilities and fund balances	**$ 3,829**	**$ 1,429**	**$ 3,095**	**$ 8,353**	**$ 8,298**

See independent auditors' report.

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

OTHER GOVERNMENTAL FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Totals 2012	Totals 2011
REVENUES:					
Taxes:					
Personal income	$ 3,270	$ —	$ —	**$ 3,270**	$ 3,291
Consumption and use	2,119	2,934	600	**5,653**	5,555
Business	1,490	—	624	**2,114**	1,986
Other	1,371	534	119	**2,024**	1,960
Federal grants	—	—	2,190	**2,190**	2,377
Public health/patient fees	4,192	456	—	**4,648**	4,655
Tobacco settlement	58	—	—	**58**	67
Miscellaneous	3,319	16	1,027	**4,362**	4,880
Total revenues	**15,819**	**3,940**	**4,560**	**24,319**	**24,771**
EXPENDITURES:					
Local assistance grants:					
Social services	4,318	—	225	**4,543**	3,868
Education	6,062	—	304	**6,366**	6,544
Mental hygiene	4	—	86	**90**	119
Health and environment	946	—	570	**1,516**	1,509
Transportation	4,130	—	644	**4,774**	4,778
Criminal justice	138	—	—	**138**	70
Miscellaneous	49	—	923	**972**	1,518
State operations:					
Personal service	320	—	—	**320**	318
Non-personal service	2,413	12	—	**2,425**	2,792
Pension contributions	23	—	—	**23**	22
Other fringe benefits	66	—	—	**66**	62
Capital construction	—	—	4,198	**4,198**	4,174
Debt service, including payments on financing arrangements	—	710	—	**710**	761
Total expenditures	**18,469**	**722**	**6,950**	**26,141**	**26,535**
Excess (deficiency) of revenues over expenditures	**(2,650)**	**3,218**	**(2,390)**	**(1,822)**	**(1,764)**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	3,151	3,412	942	**7,505**	8,129
Transfers to other funds	(472)	(6,523)	(1,434)	**(8,429)**	(8,887)
Collateralized borrowing	—	—	—	**—**	102
General obligation bonds issued	—	—	330	**330**	500
Financing arrangements issued	—	—	2,593	**2,593**	1,885
Refunding debt issued	—	244	—	**244**	456
Payments to escrow agents for refundings	—	(253)	—	**(253)**	(510)
Swap termination	—	(27)	—	**(27)**	—
Premiums on bonds issued	—	35	305	**340**	183
Net other financing sources (uses)	**2,679**	**(3,112)**	**2,736**	**2,303**	**1,858**
Net change in fund balances	**29**	**106**	**346**	**481**	**94**
Fund balances at April 1, 2011, as restated	**2,984**	**1,040**	**1,785**	**5,809**	**5,719**
Fund balances at March 31, 2012	**$ 3,013**	**$ 1,146**	**$ 2,131**	**$ 6,290**	**$ 5,813**

See independent auditors' report.

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

OTHER GOVERNMENTAL FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Special Revenue			Debt Service		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ 8,303	$ 8,244	$ (59)	$ 3,309	$ 3,271	$ (38)
Miscellaneous	15,147	15,399	252	949	954	5
Federal grants	—	—	—	—	—	—
Total receipts	**23,450**	**23,643**	**193**	**4,258**	**4,225**	**(33)**
DISBURSEMENTS:						
Local assistance grants	19,033	18,848	185	—	—	—
State operations	9,461	9,912	(451)	22	19	3
General state charges	1,830	1,873	(43)	—	—	—
Debt service	—	—	—	816	821	(5)
Capital projects	5	6	(1)	—	—	—
Total disbursements	**30,329**	**30,639**	**(310)**	**838**	**840**	**(2)**
Excess (deficiency) of receipts over disbursements	**(6,879)**	**(6,996)**	**(117)**	**3,420**	**3,385**	**(35)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	7,251	7,861	610	3,290	3,298	8
Transfers to other funds	(613)	(1,371)	(758)	(6,615)	(6,710)	(95)
Net other financing sources (uses)	**6,638**	**6,490**	**(148)**	**(3,325)**	**(3,412)**	**(87)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (241)**	**$ (506)**	**$ (265)**	**$ 95**	**$ (27)**	**$ (122)**

See independent auditors' report.

Capital Projects

Financial Plan	Actual	Variance
$ 1,333	$ 1,337	$ 4
4,361	4,155	(206)
2,202	2,115	(87)
7,896	**7,607**	**(289)**
2,564	2,566	(2)
—	—	—
—	—	—
—	—	—
5,514	5,270	244
8,078	**7,836**	**242**
(182)	**(229)**	**(47)**
475	352	(123)
1,888	1,031	(857)
(2,277)	(1,436)	841
86	**(53)**	**(139)**
$ (96)	**$ (282)**	**$ (186)**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

School Tax Relief Fund (STAR)—to reimburse school districts for the property tax exemptions for homeowners.

Health Care Reform Act Resources—to account for health care initiatives financed with hospital assessments, surcharges, proceeds from the sale of public assets and cigarette tax receipts.

Dedicated Mass Transportation Trust Fund—to account for monies that are earmarked for mass transportation purposes.

ENCON Special Revenue—to account for various fees, fines and penalties earmarked for environmental monitoring activities, conservation and efficiency projects and other environmental maintenance and regulation purposes.

Conservation Fund—to account for hunting and fishing license fees and related fines and penalties that are dedicated to fish and wildlife programs.

Environmental Protection and Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

Mass Transportation Operating Assistance—to account for various taxes earmarked for public mass transportation operating assistance programs.

MTA Financial Assistance Fund—to account for taxes and fees imposed in the Metropolitan Commuter Transportation District dedicated for Metropolitan Transportation Authority operating and capital needs.

Miscellaneous—to account for various fees, fines, user charges and other miscellaneous revenues that are earmarked for specific State programs.

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

March 31, 2012
(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	ENCON Special Revenue	Conservation
ASSETS:					
Cash and investments	$ —	$ 306	$ 83	$ —	$ 90
Receivables, net of allowance for uncollectibles:					
Taxes	—	86	18	—	—
Other	—	334	—	10	—
Due from other funds	178	130	—	—	—
Other assets	—	—	—	—	—
Total assets	**$ 178**	**$ 856**	**$ 101**	**$ 10**	**$ 90**
LIABILITIES:					
Tax refunds payable	$ —	$ 1	$ 8	$ —	$ —
Accounts payable	—	—	1	—	—
Accrued liabilities	178	3	—	4	2
Payable to local governments	—	7	2	—	—
Due to other funds	—	2	—	35	3
Deferred revenues	—	64	—	—	—
Total liabilities	**178**	**77**	**11**	**39**	**5**
FUND BALANCES (DEFICITS):					
Restricted	—	—	—	—	—
Committed	—	779	90	—	85
Assigned	—	—	—	—	—
Unassigned	—	—	—	(29)	—
Total fund balances (deficits)	**—**	**779**	**90**	**(29)**	**85**
Total liabilities and fund balances (deficits)	**$ 178**	**$ 856**	**$ 101**	**$ 10**	**$ 90**

See independent auditors' report.

Environmental Protection and Spill Compensation	Mass Transportation Operating Assistance	MTA Financial Assistance Fund	Miscellaneous	Totals 2012	Totals 2011
$ 14	$ 57	$ 61	$ 1,697	**$ 2,308**	$ 2,272
—	67	168	—	**339**	336
86	—	—	206	**636**	725
—	—	—	230	**538**	436
—	—	—	8	**8**	7
$ 100	**$ 124**	**$ 229**	**$ 2,141**	**$ 3,829**	**$ 3,776**
$ —	$ 211	$ 4	$ —	**$ 224**	$ 221
—	—	—	2	**3**	17
3	—	—	5	**195**	156
—	—	—	73	**82**	104
2	5	—	90	**137**	127
74	—	—	37	**175**	163
79	**216**	**4**	**207**	**816**	**788**
21	—	225	62	**308**	363
—	—	—	114	**1,068**	1,164
—	—	—	1,758	**1,758**	1,723
—	(92)	—	—	**(121)**	(262)
21	**(92)**	**225**	**1,934**	**3,013**	**2,988**
$ 100	**$ 124**	**$ 229**	**$ 2,141**	**$ 3,829**	**$ 3,776**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	ENCON Special Revenue	Conservation
REVENUES:					
Taxes:					
Personal income	$ 3,270	$ —	$ —	$ —	$ —
Consumption and use	—	1,164	105	—	—
Business	—	—	359	—	—
Other	—	—	—	—	—
Public health/patient fees	—	4,191	—	—	—
Tobacco settlement	—	58	—	—	—
Miscellaneous	—	—	180	85	50
Total revenues	**3,270**	**5,413**	**644**	**85**	**50**
EXPENDITURES:					
Local assistance grants:					
Social services	—	4,315	—	—	—
Education	3,270	—	—	—	—
Mental hygiene	—	—	—	—	—
Health and environment	—	946	—	—	—
Transportation	—	—	672	—	—
Criminal justice	—	—	—	—	—
Miscellaneous	—	—	—	—	—
State operations:					
Personal service	—	9	—	54	19
Non-personal service	—	41	—	20	10
Pension contributions	—	1	—	5	2
Other fringe benefits	—	4	—	14	7
Total expenditures	**3,270**	**5,316**	**672**	**93**	**38**
Excess (deficiency) of revenues over expenditures	**—**	**97**	**(28)**	**(8)**	**12**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	—	1	—	17	4
Transfers to other funds	—	(211)	—	(8)	(2)
Collateralized borrowing	—	—	—	—	—
Net other financing sources (uses)	**—**	**(210)**	**—**	**9**	**2**
Net change in fund balances	**—**	**(113)**	**(28)**	**1**	**14**
Fund balances (deficits) at April 1, 2011, as restated	**—**	**892**	**118**	**(30)**	**71**
Fund balances (deficits) at March 31, 2012	**$ —**	**$ 779**	**$ 90**	**$ (29)**	**$ 85**

See independent auditors' report.

Environmental Protection and Spill Compensation	Mass Transportation Operating Assistance	MTA Financial Assistance Fund	Miscellaneous	Eliminations	Totals 2012	Totals 2011
$ —	$ —	$ —	$ —	$ —	**$ 3,270**	$ 3,291
—	721	127	2	—	**2,119**	2,101
—	1,131	—	—	—	**1,490**	1,362
—	—	1,371	—	—	**1,371**	1,358
—	—	—	1	—	**4,192**	4,211
—	—	—	—	—	**58**	67
45	12	173	2,774	—	**3,319**	3,812
45	**1,864**	**1,671**	**2,777**	**—**	**15,819**	**16,202**
—	—	—	3	—	**4,318**	3,824
—	—	—	2,792	—	**6,062**	6,251
—	—	—	4	—	**4**	4
—	—	—	—	—	**946**	874
—	1,732	1,725	1	—	**4,130**	3,953
—	—	—	138	—	**138**	70
—	—	—	49	—	**49**	119
12	3	—	223	—	**320**	318
9	1	—	2,332	—	**2,413**	2,776
1	—	—	14	—	**23**	22
4	1	—	36	—	**66**	62
26	**1,737**	**1,725**	**5,592**	**—**	**18,469**	**18,273**
19	**127**	**(54)**	**(2,815)**	**—**	**(2,650)**	**(2,071)**
—	59	22	3,053	(5)	**3,151**	3,304
(15)	(175)	(6)	(60)	5	**(472)**	(595)
—	—	—	—	—	**—**	102
(15)	**(116)**	**16**	**2,993**	**—**	**2,679**	**2,811**
4	**11**	**(38)**	**178**	**—**	**29**	**740**
17	**(103)**	**263**	**1,756**	**—**	**2,984**	**2,248**
$ 21	**$ (92)**	**$ 225**	**$ 1,934**	**$ —**	**$ 3,013**	**$ 2,988**

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	School Tax Relief			Mass Transportation Operating Assistance		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ 3,293	$ 3,233	$ (60)	$ 1,841	$ 1,883	$ 42
Miscellaneous	—	—	—	22	12	(10)
Total receipts	**3,293**	**3,233**	**(60)**	**1,863**	**1,895**	**32**
DISBURSEMENTS:						
Local assistance grants	3,293	3,233	60	1,732	1,732	—
State operations	—	—	—	4	4	—
General state charges	—	—	—	2	3	(1)
Capital projects	—	—	—	—	—	—
Total disbursements	**3,293**	**3,233**	**60**	**1,738**	**1,739**	**(1)**
Excess (deficiency) of receipts over disbursements	**—**	**—**	**—**	**125**	**156**	**31**
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	—	—	—	48	59	11
Transfers to other funds	—	—	—	(192)	(175)	17
Net other financing sources (uses)	**—**	**—**	**—**	**(144)**	**(116)**	**28**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**	**$ (19)**	**$ 40**	**$ 59**

See independent auditors' report.

State Special Revenue Account			Other		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ —	$ —	$ —	$ 3,169	$ 3,128	$ (41)
3,140	3,297	157	11,985	12,090	105
3,140	**3,297**	**157**	**15,154**	**15,218**	**64**
3,312	3,195	117	10,696	10,688	8
4,688	4,982	(294)	4,769	4,926	(157)
1,421	1,405	16	407	465	(58)
—	—	—	5	6	(1)
9,421	**9,582**	**(161)**	**15,877**	**16,085**	**(208)**
(6,281)	**(6,285)**	**(4)**	**(723)**	**(867)**	**(144)**
10,354	6,946	(3,408)	214	66,196	65,982
(4,165)	(905)	3,260	379	(65,631)	(66,010)
6,189	**6,041**	**(148)**	**593**	**565**	**(28)**
$ (92)	**$ (244)**	**$ (152)**	**$ (130)**	**$ (302)**	**$ (172)**

(Continued)

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual (cont'd)

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Eliminations		Total		
	Financial Plan	Actual	Financial Plan	Actual	Variance
RECEIPTS:					
Taxes	$ —	$ —	$ 8,303	$ 8,244	$ (59)
Miscellaneous	—	—	15,147	15,399	252
Total receipts	**—**	**—**	**23,450**	**23,643**	**193**
DISBURSEMENTS:					
Local assistance grants	—	—	19,033	18,848	185
State operations	—	—	9,461	9,912	(451)
General state charges	—	—	1,830	1,873	(43)
Capital projects	—	—	5	6	(1)
Total disbursements	**—**	**—**	**30,329**	**30,639**	**(310)**
Excess (deficiency) of receipts over disbursements	**—**	**—**	**(6,879)**	**(6,996)**	**(117)**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	(3,365)	(65,340)	7,251	7,861	610
Transfers to other funds	3,365	65,340	(613)	(1,371)	(758)
Net other financing sources (uses)	**—**	**—**	**6,638**	**6,490**	**(148)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ (241)**	**$ (506)**	**$ (265)**

See independent auditors' report.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligations and payments on certain lease/purchase or other contractual obligations.

Mental Health Services Fund—to account for the payment of debt service in conjunction with agreements for financing mental hygiene facilities.

State Housing Debt Fund—to account for the repayment of State advances made to local governments and certain public authorities that are earmarked for paying the principal and interest on State housing bonds.

Department of Health Income Fund—to account for the payment of debt service in conjunction with agreements with the Dormitory Authority for financing health facilities.

Clean Water/Clean Air Fund—to account for taxes earmarked for reimbursing the General Debt Service Fund for the payment of debt service on the Clean Water/Clean Air bonds.

Local Government Assistance Tax Fund—to account for revenues that are earmarked for payment to the New York Local Government Assistance Corporation for debt service.

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

March 31, 2012
(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/ Clean Air	Local Government Assistance Tax
ASSETS:					
Cash and investments	$ 110	$ —	$ 53	$ —	$ 499
Receivables, net of allowance for uncollectibles:					
Taxes	—	—	—	43	202
Other	60	13	22	—	—
Due from other funds	418	—	9	—	—
Total assets	**$ 588**	**$ 13**	**$ 84**	**$ 43**	**$ 701**
LIABILITIES:					
Tax refunds payable	$ —	$ —	$ —	$ —	$ 24
Accounts payable	—	—	—	—	1
Accrued liabilities	—	—	9	—	—
Due to other funds	—	—	—	43	176
Deferred revenues	4	10	—	—	16
Total liabilities	**4**	**10**	**9**	**43**	**217**
FUND BALANCES (DEFICITS):					
Restricted	70	3	21	—	495
Committed	514	—	54	—	—
Unassigned	—	—	—	—	(11)
Total fund balances	**584**	**3**	**75**	**—**	**484**
Total liabilities and fund balances	**$ 588**	**$ 13**	**$ 84**	**$ 43**	**$ 701**

See independent auditors' report.

Totals	
2012	2011
$ 662	$ 659
245	217
95	99
427	319
$ 1,429	**$ 1,294**
$ 24	$ 21
1	1
9	9
219	187
30	36
283	**254**
589	581
568	462
(11)	(3)
1,146	**1,040**
$ 1,429	**$ 1,294**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/ Clean Air	Local Government Assistance Tax
REVENUES:					
Taxes:					
Consumption and use	$ —	$ —	$ —	$ —	$ 2,934
Other	—	—	—	534	—
Patient fees	335	—	121	—	—
Miscellaneous	—	13	1	—	2
Total revenues	**335**	**13**	**122**	**534**	**2,936**
EXPENDITURES:					
Non-personal service	4	—	3	—	5
Debt service, including payments on financing arrangements	322	15	29	—	344
Total expenditures	**326**	**15**	**32**	**—**	**349**
Excess (deficiency) of revenues over expenditures	**9**	**(2)**	**90**	**534**	**2,587**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	3,353	4	55	—	—
Transfers to other funds	(3,286)	—	(145)	(534)	(2,558)
Refunding debt issued	—	—	60	—	184
Payments to escrow agents for refundings	—	—	(64)	—	(189)
Swap termination	—	—	—	—	(27)
Premiums on bonds issued	—	—	5	—	30
Net other financing sources (uses)	**67**	**4**	**(89)**	**(534)**	**(2,560)**
Net change in fund balances	**76**	**2**	**1**	**—**	**27**
Fund balances at April 1, 2011	**508**	**1**	**74**	**—**	**457**
Fund balances at March 31, 2012	**$ 584**	**$ 3**	**$ 75**	**$ —**	**$ 484**

See independent auditors' report.

Totals	
2012	**2011**
$ 2,934	$ 2,853
534	483
456	444
16	53
3,940	**3,833**
12	16
710	761
722	777
3,218	**3,056**
3,412	3,749
(6,523)	(6,885)
244	456
(253)	(510)
(27)	—
35	56
(3,112)	**(3,134)**
106	**(78)**
1,040	**1,118**
$ 1,146	**$ 1,040**

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Mental Health Services			Clean Water/Clean Air		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ 501	$ 491	$ (10)
Miscellaneous	325	334	9	—	—	—
Total receipts	**325**	**334**	**9**	**501**	**491**	**(10)**
DISBURSEMENTS:						
State operations	6	4	2	—	—	—
Debt service	316	315	1	—	—	—
Total disbursements	**322**	**319**	**3**	**—**	**—**	**—**
Excess (deficiency) of receipts over disbursements	**3**	**15**	**12**	**501**	**491**	**(10)**
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	3,247	3,243	(4)	—	—	—
Transfers to other funds	(3,214)	(3,285)	(71)	(501)	(491)	10
Net other financing sources (uses)	**33**	**(42)**	**(75)**	**(501)**	**(491)**	**10**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 36**	**$ (27)**	**$ (63)**	**$ —**	**$ —**	**$ —**

See independent auditors' report.

Local Government Assistance Tax			Other		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ 2,808	$ 2,780	$ (28)	$ —	$ —	$ —
1	—	(1)	623	620	(3)
2,809	**2,780**	**(29)**	**623**	**620**	**(3)**
6	5	1	10	10	—
373	379	(6)	127	127	—
379	**384**	**(5)**	**137**	**137**	**—**
2,430	**2,396**	**(34)**	**486**	**483**	**(3)**
—	—	—	43	55	12
(2,430)	(2,396)	34	(470)	(538)	(68)
(2,430)	**(2,396)**	**34**	**(427)**	**(483)**	**(56)**
$ —	**$ —**	**$ —**	**$ 59**	**$ —**	**$ (59)**

(Continued)

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual (cont'd)

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Total		
	Financial Plan	Actual	Variance
RECEIPTS:			
Taxes	$ 3,309	$ 3,271	$ (38)
Miscellaneous	949	954	5
Total receipts	**4,258**	**4,225**	**(33)**
DISBURSEMENTS:			
State operations	22	19	3
Debt service	816	821	(5)
Total disbursements	**838**	**840**	**(2)**
Excess (deficiency) of receipts over disbursements	**3,420**	**3,385**	**(35)**
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	3,290	3,298	8
Transfers to other funds	(6,615)	(6,710)	(95)
Net other financing sources (uses)	**(3,325)**	**(3,412)**	**(87)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 95**	**$ (27)**	**$ (122)**

See independent auditors' report.

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major State-owned capital facilities and for capital assistance grants to local governments and public authorities.

State Capital Projects Fund—to account for the construction or acquisition of State capital assets and the payments to local governments and public authorities for capital assistance financed primarily by transfers from the General Fund, bond funds and proceeds from various financial arrangements.

Dedicated Highway and Bridge Trust Fund—to account for taxes and fees that are earmarked for financing State, county, town, and village highway, parkway, bridge, aviation or port facility capital projects.

Environmental Protection Fund—to account for dedicated revenues that will be used to assist local governments, not-for-profit corporations, and fund State initiatives to protect the environment and protect open space.

Bond Funds—to account for the proceeds of bonds issued for capital purposes. A separate bond fund is established to account for the bond proceeds of each bond issue authorized by public referendum, including the Energy Conservation Through Improved Transportation Bond Fund, the Pure Waters Bond Fund, the Transportation Capital Facilities Bond Fund, the Environmental Quality Protection Bond Fund, the Rail Preservation and Development Bond Fund, the Rebuild and Renew New York Transportation Bond Fund, the Environmental Quality Bond Act Fund and the Clean Water/Clean Air Bond Fund.

Hazardous Waste Remedial Fund—to account for revenues earmarked for the clean-up of hazardous waste disposal sites.

Federal Capital Projects Fund—to account for capital projects financed from federal grants.

Housing Program Fund—to account for the Low Income Housing Trust Fund Program and the Affordable Home Ownership Development Program that are financed by the New York State Housing Finance Agency.

Mental Hygiene Facilities Capital Improvement Fund—to account for mental hygiene capital projects.

Correctional Facilities Capital Improvement Fund—to account for correctional facility capital projects financed by the Urban Development Corporation.

Miscellaneous—to account for various capital projects financed from the sale of land or other resources, gifts, grants or other miscellaneous revenue sources earmarked for capital purposes or from transfers from the New York State Infrastructure Trust Account.

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

March 31, 2012
(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond	Environmental Quality Bond
ASSETS:							
Cash and investments	$ 1,248	$ 462	$ 40	$ 3	$ 1	$ 101	$ 8
Receivables, net of allowance for uncollectibles:							
Taxes	—	72	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	160	19	2	—	—	—	—
Due from other funds	152	5	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Total assets	**$ 1,560**	**$ 558**	**$ 42**	**$ 3**	**$ 1**	**$ 101**	**$ 8**
LIABILITIES:							
Tax refunds payable	$ —	$ 20	$ —	$ —	$ —	$ —	$ —
Accounts payable	95	52	1	—	—	—	—
Accrued liabilities	1	45	—	—	—	—	—
Payable to local governments	47	1	—	—	—	—	—
Due to other funds	1	176	—	—	—	—	—
Deferred revenues	6	1	—	—	—	—	—
Total liabilities	**150**	**295**	**1**	**—**	**—**	**—**	**—**
FUND BALANCES (DEFICITS):							
Restricted	158	18	—	3	1	101	8
Committed	1,252	245	41	—	—	—	—
Assigned	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—
Total fund balances (deficits)	**1,410**	**263**	**41**	**3**	**1**	**101**	**8**
Total liabilities and fund balances (deficits)	**$ 1,560**	**$ 558**	**$ 42**	**$ 3**	**$ 1**	**$ 101**	**$ 8**

See independent auditors' report.

Hazardous Waste Remedial	Federal Capital Projects	Clean Water/ Clean Air Bond	Housing Program	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals 2012	Totals 2011
$ —	$ —	$ 7	$ —	$ 330	$ 172	$ 113	$ —	**$ 2,485**	$ 2,629
—	—	—	—	—	—	—	—	**72**	69
—	178	—	—	—	—	1	—	**179**	104
5	—	—	—	1	—	7	—	**194**	188
—	103	—	—	—	—	1	(103)	**158**	230
7	—	—	—	—	—	—	—	**7**	8
$ 12	**$ 281**	**$ 7**	**$ —**	**$ 331**	**$ 172**	**$ 122**	**$ (103)**	**$ 3,095**	**$ 3,228**
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	**$ 20**	$ 20
11	116	—	—	4	20	2	—	**301**	352
2	1	—	—	24	—	2	—	**75**	54
—	20	—	—	3	—	—	—	**71**	367
115	144	—	121	—	—	30	(103)	**484**	641
6	—	—	—	—	—	—	—	**13**	9
134	**281**	**—**	**121**	**31**	**20**	**34**	**(103)**	**964**	**1,443**
—	—	7	—	—	—	11	—	**307**	430
—	—	—	—	300	152	63	—	**2,053**	1,812
—	—	—	—	—	—	14	—	**14**	61
(122)	—	—	(121)	—	—	—	—	**(243)**	(518)
(122)	**—**	**7**	**(121)**	**300**	**152**	**88**	**—**	**2,131**	**1,785**
$ 12	**$ 281**	**$ 7**	**$ —**	**$ 331**	**$ 172**	**$ 122**	**$ (103)**	**$ 3,095**	**$ 3,228**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond	Environmental Quality Bond
REVENUES:							
Taxes:							
Consumption and use	$ —	$ 600	$ —	$ —	$ —	$ —	$ —
Business	—	624	—	—	—	—	—
Other	—	—	119	—	—	—	—
Federal grants	—	5	—	—	—	—	—
Miscellaneous	—	749	14	—	—	—	—
Total revenues	**—**	**1,978**	**133**	**—**	**—**	**—**	**—**
EXPENDITURES:							
Local assistance grants:							
Social services	—	—	—	—	—	—	—
Education	304	—	—	—	—	—	—
Mental hygiene	10	—	—	—	—	—	—
Health and environment	256	—	—	—	—	—	—
Transportation	154	21	—	—	—	—	—
Miscellaneous	597	—	30	—	—	—	—
Capital construction	623	1,926	104	—	—	2	—
Total expenditures	**1,944**	**1,947**	**134**	**—**	**—**	**2**	**—**
Excess (deficiency) of revenues over expenditures	**(1,944)**	**31**	**(1)**	**—**	**—**	**(2)**	**—**
OTHER FINANCING SOURCES (USES):							
Transfers from other funds	966	804	—	—	—	—	—
Transfers to other funds	(23)	(1,393)	—	—	(2)	(430)	(2)
General obligation bonds issued	—	—	—	—	—	293	8
Financing arrangements issued	903	879	—	—	—	—	—
Premiums on bonds issued	93	113	—	—	—	22	1
Net other financing sources (uses)	**1,939**	**403**	**—**	**—**	**(2)**	**(115)**	**7**
Net change in fund balances	**(5)**	**434**	**(1)**	**—**	**(2)**	**(117)**	**7**
Fund balances (deficits) at April 1, 2011	**1,415**	**(171)**	**42**	**3**	**3**	**218**	**1**
Fund balances (deficits) at March 31, 2012	**$ 1,410**	**$ 263**	**$ 41**	**$ 3**	**$ 1**	**$ 101**	**$ 8**

See independent auditors' report.

Hazardous Waste Remedial	Federal Capital Projects	Clean Water/ Clean Air Bond	Housing Program	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals 2012	Totals 2011
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	**$ 600**	$ 601
—	—	—	—	—	—	—	—	**624**	624
—	—	—	—	—	—	—	—	**119**	119
—	2,185	—	—	—	—	—	—	**2,190**	2,377
38	2	—	176	2	—	46	—	**1,027**	1,015
38	**2,187**	**—**	**176**	**2**	**—**	**46**	**—**	**4,560**	**4,736**
—	—	—	45	—	—	180	—	**225**	44
—	—	—	—	—	—	—	—	**304**	293
—	—	—	—	76	—	—	—	**86**	115
1	312	—	—	—	—	1	—	**570**	635
—	467	—	—	—	—	2	—	**644**	825
4	—	—	80	—	—	212	—	**923**	1,399
97	1,063	—	—	140	221	22	—	**4,198**	4,174
102	**1,842**	**—**	**125**	**216**	**221**	**417**	**—**	**6,950**	**7,485**
(64)	**345**	**—**	**51**	**(214)**	**(221)**	**(371)**	**—**	**(2,390)**	**(2,749)**
12	—	—	—	1	—	4	(845)	**942**	1,076
(34)	(345)	(40)	—	(6)	—	(4)	845	**(1,434)**	(1,407)
—	—	25	—	—	—	4	—	**330**	500
70	—	—	—	356	230	155	—	**2,593**	1,885
8	—	2	—	33	26	7	—	**305**	127
56	**(345)**	**(13)**	**—**	**384**	**256**	**166**	**—**	**2,736**	**2,181**
(8)	**—**	**(13)**	**51**	**170**	**35**	**(205)**	**—**	**346**	**(568)**
(114)	**—**	**20**	**(172)**	**130**	**117**	**293**	**—**	**1,785**	**2,353**
$ (122)	**$ —**	**$ 7**	**$ (121)**	**$ 300**	**$ 152**	**$ 88**	**$ —**	**$ 2,131**	**$ 1,785**

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	State Capital Projects			Dedicated Highway and Bridge Trust		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ 1,214	$ 1,218	$ 4
Miscellaneous	2,159	1,919	(240)	1,323	1,384	61
Federal grants	—	—	—	6	6	—
Total receipts	**2,159**	**1,919**	**(240)**	**2,543**	**2,608**	**65**
DISBURSEMENTS:						
Local assistance grants	1,288	1,286	2	45	12	33
Capital projects	1,858	1,572	286	1,961	2,035	(74)
Total disbursements	**3,146**	**2,858**	**288**	**2,006**	**2,047**	**(41)**
Excess (deficiency) of receipts over disbursements	**(987)**	**(939)**	**48**	**537**	**561**	**24**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	1,014	961	(53)	811	804	(7)
Transfers to other funds	(21)	(22)	(1)	(1,391)	(1,393)	(2)
Net other financing sources (uses)	**993**	**939**	**(54)**	**(580)**	**(589)**	**(9)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 6**	**$ —**	**$ (6)**	**$ (43)**	**$ (28)**	**$ 15**

See independent auditors' report.

Federal Capital Projects			Department of Transportation Engineering Services		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ —	$ —	$ —	$ —	$ —	$ —
—	2	2	—	—	—
2,196	2,110	(86)	—	—	—
2,196	**2,112**	**(84)**	**—**	**—**	**—**
912	818	94	—	—	—
925	1,006	(81)	1	3	(2)
1,837	**1,824**	**13**	**1**	**3**	**(2)**
359	**288**	**(71)**	**(1)**	**(3)**	**(2)**
—	—	—	—	—	—
—	—	—	1	3	2
(353)	(345)	8	—	—	—
(353)	**(345)**	**8**	**1**	**3**	**2**
$ 6	**$ (57)**	**$ (63)**	**$ —**	**$ —**	**$ —**

(Continued)

Combining Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual (cont'd)

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Other			Eliminations	
	Financial Plan	Actual	Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	$ 119	$ 119	$ —	$ —	$ —
Miscellaneous	879	850	(29)	—	—
Federal grants	—	(1)	(1)	—	—
Total receipts	**998**	**968**	**(30)**	**—**	**—**
DISBURSEMENTS:					
Local assistance grants	319	450	(131)	—	—
Capital projects	769	654	115	—	—
Total disbursements	**1,088**	**1,104**	**(16)**	**—**	**—**
Excess (deficiency) of receipts over disbursements	**(90)**	**(136)**	**(46)**	**—**	**—**
OTHER FINANCING SOURCES (USES):					
Bond and note proceeds, net	475	352	(123)	—	—
Transfers from other funds	900	(400)	(1,300)	(838)	(337)
Transfers to other funds	(1,350)	(13)	1,337	838	337
Net other financing sources (uses)	**25**	**(61)**	**(86)**	**—**	**—**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (65)**	**$ (197)**	**$ (132)**	**$ —**	**$ —**

See independent auditors' report.

Total		
Financial Plan	Actual	Variance
$ 1,333	$ 1,337	$ 4
4,361	4,155	(206)
2,202	2,115	(87)
7,896	**7,607**	**(289)**
2,564	2,566	(2)
5,514	5,270	244
8,078	**7,836**	**242**
(182)	**(229)**	**(47)**
475	352	(123)
1,888	1,031	(857)
(2,277)	(1,436)	841
86	**(53)**	**(139)**
$ (96)	**$ (282)**	**$ (186)**

STATE OF NEW YORK
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Fiduciary Funds

Fiduciary Funds are used to account for assets held by the State in a fiduciary capacity or as agent for individuals, private organizations or other governments and include Private Purpose Trust Funds, the State and Local Retirement System Fund and Agency Funds.

Private Purpose Trust Funds:

Agriculture and Milk Producers' Security Funds—to provide security to agriculture and milk producers against loss of revenues.

Abandoned Property Fund—accounts for assets from banks, utilities, investment companies, and insurance companies representing inactive accounts that are required by law to be turned over to the State. The Comptroller is custodian of this account. Assets are returned to the proper owner upon approval of a claim.

Tuition Savings Program Fund—accounts for contributions made by individuals and families for college savings. The withdrawals from the Fund are used to pay college costs at any eligible public and private college and university in New York State.

Agency Funds:

Employee Benefit and Payroll Related Funds—accounts for various employee benefit programs, such as the New York State employee health insurance programs, for the disposition of various payroll related deductions, such as for social security contributions.

MMIS Statewide Escrow Fund—accounts for the transfer from other funds of the Federal, State, and local shares of Medicaid program expenditures to a paying agent for ultimate payment to health care providers.

Other Agency Funds—account for various escrow, revenue collection and agency accounts for which the State acts in an agent's capacity until proper disposition of the assets can be made. This includes accounting for advances from the State for paying CUNY operating costs.

Combining Statement of Fiduciary Net Assets

PRIVATE PURPOSE TRUSTS

March 31, 2012
(Amounts in millions)

	Agriculture Producers' Security	Milk Producers' Security	Abandoned Property	Tuition Savings Program	Totals 2012	Totals 2011
ASSETS:						
Cash and investments	$ 2	$ 8	$ 354	$ 12,095	**$ 12,459**	$ 11,402
Receivables, net of allowance for uncollectibles	—	—	162	35	**197**	162
Due from other funds	—	—	1,051	—	**1,051**	939
Total assets	**2**	**8**	**1,567**	**12,130**	**13,707**	**12,503**
LIABILITIES:						
Accrued liabilities	—	—	1,567	40	**1,607**	1,478
Total liabilities	**—**	**—**	**1,567**	**40**	**1,607**	**1,478**
NET ASSETS:						
Reserved for other specified purposes	2	8	—	12,090	**12,100**	11,025
Total net assets	**$ 2**	**$ 8**	**$ —**	**$ 12,090**	**$ 12,100**	**$ 11,025**

See independent auditors' report.

Combining Statement of Changes in Fiduciary Net Assets

PRIVATE PURPOSE TRUSTS

Year Ended March 31, 2012
(Amounts in millions)

	Agriculture Producers' Security	Milk Producers' Security	Abandoned Property	Tuition Savings Program	Totals 2012	Totals 2011
Additions:						
Investment income	$ —	$ —	$ —	$ 30	**$ 30**	$ 18
Dividend income	—	—	—	254	**254**	225
Other income	1	—	—	—	**1**	—
Net increase in the fair value of investments	—	—	—	33	**33**	911
Total investment and other losses	**1**	**—**	**—**	**317**	**318**	**1,154**
Less:						
Investment expenses	—	—	—	(35)	**(35)**	(40)
Net investment and other losses	**1**	**—**	**—**	**282**	**283**	**1,114**
Contributions:						
College savings	—	—	—	2,006	**2,006**	1,837
Total contributions	**—**	**—**	**—**	**2,006**	**2,006**	**1,837**
Net transfers from General Fund	—	—	307	—	**307**	289
Total additions	**1**	**—**	**307**	**2,288**	**2,596**	**3,240**
Deductions:						
College aid redemptions	—	—	—	1,214	**1,214**	1,001
Claims paid	—	—	307	—	**307**	289
Miscellaneous	—	—	—	—	**—**	1
Total deductions	**—**	**—**	**307**	**1,214**	**1,521**	**1,291**
Net increase (decrease)	**1**	**—**	**—**	**1,074**	**1,075**	**1,949**
Net assets held in trust at April 1, 2011	**1**	**8**	**—**	**11,016**	**11,025**	**9,076**
Net assets held in trust at March 31, 2012	**$ 2**	**$ 8**	**$ —**	**$ 12,090**	**$ 12,100**	**$ 11,025**

See independent auditors' report.

Combining Statement of Fiduciary Net Assets

AGENCY FUNDS

March 31, 2012
(Amounts in millions)

	School Capital Facilities Financing Reserve	Employees Health Insurance	Social Security Contribution	NYS Employee Payroll Withholding	Employees Dental Insurance
ASSETS:					
Cash and investments	$ 35	$ 174	$ —	$ 11	$ 1
Receivables, net of allowance for uncollectibles	—	85	27	140	4
Other assets	—	144	—	—	—
Total assets	**$ 35**	**$ 403**	**$ 27**	**$ 151**	**$ 5**
LIABILITIES:					
Accounts payable	$ —	$ —	$ —	$ 48	$ —
Accrued liabilities	35	131	27	103	1
Payable to local governments	—	272	—	—	4
Total liabilities	**$ 35**	**$ 403**	**$ 27**	**$ 151**	**$ 5**

See independent auditors' report.

Management Confidential Group Insurance	CUNY Senior College Operating	MMIS Statewide Escrow	Sole Custody	Miscellaneous	Totals 2012	Totals 2011
$ 1	$ 29	$ 192	$ 1,661	$ 566	**$ 2,670**	$ 3,162
—	—	12	37	53	**358**	134
—	—	—	—	—	**144**	116
$ 1	**$ 29**	**$ 204**	**$ 1,698**	**$ 619**	**$ 3,172**	**$ 3,412**
$ —	$ 7	$ —	$ —	$ 2	**$ 57**	$ 23
1	22	153	493	564	**1,530**	1,792
—	—	51	1,205	53	**1,585**	1,597
$ 1	**$ 29**	**$ 204**	**$ 1,698**	**$ 619**	**$ 3,172**	**$ 3,412**

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Balance April 1, 2011	Additions	Deductions	Balance March 31, 2012
School Capital Facilities Financing Reserve				
ASSETS:				
Cash and investments	$ 35	$ 25	$ 25	$ 35
Due from other funds	—	8	8	—
Total assets	**$ 35**	**$ 33**	**$ 33**	**$ 35**
LIABILITIES:				
Accounts payable	$ —	$ 25	$ 25	$ —
Accrued liabilities	35	23	23	35
Total liabilities	**$ 35**	**$ 48**	**$ 48**	**$ 35**
Employees Health Insurance				
ASSETS:				
Cash and investments	$ 349	$ 7,447	$ 7,622	$ 174
Receivables, net of allowance for uncollectibles	61	85	61	85
Due from other funds	—	78	78	—
Other assets	116	144	116	144
Total assets	**$ 526**	**$ 7,754**	**$ 7,877**	**$ 403**
LIABILITIES:				
Accounts payable	$ 1	$ 8,036	$ 8,037	$ —
Accrued liabilities	179	9,152	9,200	131
Payable to local governments	346	272	346	272
Due to other funds	—	51	51	—
Total liabilities	**$ 526**	**$ 17,511**	**$ 17,634**	**$ 403**
Social Security Contribution				
ASSETS:				
Cash and investments	$ 1	$ 796	$ 797	$ —
Receivables, net of allowance for uncollectibles	—	27	—	27
Due from other funds	—	1	1	—
Total assets	**$ 1**	**$ 824**	**$ 798**	**$ 27**
LIABILITIES:				
Accounts payable	$ —	$ 804	$ 804	$ —
Accrued liabilities	1	581	555	27
Total liabilities	**$ 1**	**$ 1,385**	**$ 1,359**	**$ 27**

(Continued)

See independent auditors' report.

Combining Statement of Changes in Assets and Liabilities (cont'd)

AGENCY FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Balance April 1, 2011	Additions	Deductions	Balance March 31, 2012
NYS Employee Payroll Withholding				
ASSETS:				
Cash and investments	$ 12	$ 4,211	$ 4,212	$ 11
Receivables, net of allowance for uncollectibles	—	140	—	140
Due from other funds	—	4	4	—
Total assets	**$ 12**	**$ 4,355**	**$ 4,216**	**$ 151**
LIABILITIES:				
Accounts payable	$ —	$ 3,420	$ 3,372	$ 48
Accrued liabilities	12	4,295	4,204	103
Due to other funds	—	43	43	—
Total liabilities	**$ 12**	**$ 7,758**	**$ 7,619**	**$ 151**
Employees Dental Insurance				
ASSETS:				
Cash and investments	$ 4	$ 87	$ 90	$ 1
Receivables, net of allowance for uncollectibles	2	4	2	4
Due from other funds	—	13	13	—
Total assets	**$ 6**	**$ 104**	**$ 105**	**$ 5**
LIABILITIES:				
Accounts payable	$ —	$ 83	$ 83	$ —
Accrued liabilities	1	104	104	1
Payable to local governments	5	4	5	4
Total liabilities	**$ 6**	**$ 191**	**$ 192**	**$ 5**
Management Confidential Group Insurance				
ASSETS:				
Cash and investments	$ 1	$ 8	$ 8	$ 1
Due from other funds	—	1	1	—
Total assets	**$ 1**	**$ 9**	**$ 9**	**$ 1**
LIABILITIES:				
Accounts payable	$ —	$ 8	$ 8	$ —
Accrued liabilities	1	8	8	1
Total liabilities	**$ 1**	**$ 16**	**$ 16**	**$ 1**

(Continued)

Combining Statement of Changes in Assets and Liabilities (cont'd)

AGENCY FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Balance April 1, 2011	Additions	Deductions	Balance March 31, 2012
CUNY Senior College Operating				
ASSETS:				
Cash and investments	$ 27	$ 1,767	$ 1,765	$ 29
Receivables, net of allowance for uncollectibles	1	—	1	—
Due from other funds	—	44	44	—
Total assets	**$ 28**	**$ 1,811**	**$ 1,810**	**$ 29**
LIABILITIES:				
Accounts payable	$ 13	$ 1,647	$ 1,653	$ 7
Accrued liabilities	15	1,956	1,949	22
Due to other funds	—	27	27	—
Total liabilities	**$ 28**	**$ 3,630**	**$ 3,629**	**$ 29**
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	$ 248	$ 48,840	$ 48,896	$ 192
Receivables, net of allowance for uncollectibles	—	12	—	12
Due from other funds	—	862	862	—
Total assets	**$ 248**	**$ 49,714**	**$ 49,758**	**$ 204**
LIABILITIES:				
Accounts payable	$ —	$ 45,973	$ 45,973	$ —
Accrued liabilities	248	53,475	53,570	153
Payable to local governments	—	2,655	2,604	51
Due to other funds	—	101	101	—
Total liabilities	**$ 248**	**$ 102,204**	**$ 102,248**	**$ 204**
Sole Custody				
ASSETS:				
Cash and investments	$ 1,901	$ 1,663	$ 1,903	$ 1,661
Receivables, net of allowance for uncollectibles	32	37	32	37
Total assets	**$ 1,933**	**$ 1,700**	**$ 1,935**	**$ 1,698**
LIABILITIES:				
Accrued liabilities	$ 725	$ 495	$ 727	$ 493
Payable to local governments	1,208	1,205	1,208	1,205
Total liabilities	**$ 1,933**	**$ 1,700**	**$ 1,935**	**$ 1,698**

(Continued)

See independent auditors' report.

Combining Statement of Changes in Assets and Liabilities (cont'd)

AGENCY FUNDS

Year Ended March 31, 2012
(Amounts in millions)

	Balance April 1, 2011	Additions	Deductions	Balance March 31, 2012
Miscellaneous				
ASSETS:				
Cash and investments	$ 584	$ 5,916	$ 5,934	$ 566
Receivables, net of allowance for uncollectibles	38	53	38	53
Due from other funds	—	508	508	—
Total assets	**$ 622**	**$ 6,477**	**$ 6,480**	**$ 619**
LIABILITIES:				
Accounts payable	$ 9	$ 478	$ 485	$ 2
Accrued liabilities	575	6,265	6,276	564
Payable to local governments	38	55	40	53
Due to other funds	—	1,365	1,365	—
Total liabilities	**$ 622**	**$ 8,163**	**$ 8,166**	**$ 619**
Total Assets and Liabilities—All Agency Funds				
ASSETS:				
Cash and investments	$ 3,162	$ 70,760	$ 71,252	$ 2,670
Receivables, net of allowance for uncollectibles	134	358	134	358
Due from other funds	—	1,519	1,519	—
Other assets	116	144	116	144
Total assets	**$ 3,412**	**$ 72,781**	**$ 73,021**	**$ 3,172**
LIABILITIES:				
Accounts payable	$ 23	$ 60,474	$ 60,440	$ 57
Accrued liabilities	1,792	76,354	76,616	1,530
Payable to local governments	1,597	4,191	4,203	1,585
Due to other funds	—	1,587	1,587	—
Total liabilities	**$ 3,412**	**$ 142,606**	**$ 142,846**	**$ 3,172**

See independent auditors' report.

STATE OF NEW YORK
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Non-Major Component Units

The non-major component units listed are significant separate legal entities that are discretely presented in the State's financial statements. The inclusion of component units in the State's financial statements reflects the State's financial accountability for these entities.

Health Research Incorporated—administers gifts and grants in keeping with the research, prevention and treatment purposes of the New York State Department of Health and the Roswell Park Cancer Institute Corporation.

Housing Trust Fund Corporation—administers significant Federal and State low income housing programs.

Hugh L. Carey Battery Park City Authority—engages in the improvement of the Battery Park City Project Area (a 92-acre site on the lower west side of Manhattan); the creation in the area of a mixed commercial and residential community; and the making of loans secured by first mortgages to housing companies organized to provide housing within the project area.

Municipal Bond Bank Agency—provides access to the capital markets for special programs and purposes that benefit the State of New York and its municipalities.

New York State Energy Research and Development Authority—conducts and finances a multifaceted energy and environmental research and development program; promotes energy efficiency measures; manages the Western New York Nuclear Service Center at West Valley; and coordinates the State's activities on nuclear energy matters.

New York State Higher Education Services Corporation—administers the State's Guaranteed Student Loan Programs.

Niagara Frontier Transportation Authority—promotes the development and improvement of transportation and related services within the Niagara Frontier Transportation District, and operates a number of transportation related business centers including aviation, surface transportation and property management.

Roswell Park Cancer Institute Corporation—as a public hospital and medical research center, provides total care to cancer patients, conducts research into the causes, treatment and prevention of cancer, and educates those who treat and study cancer.

SUNY Foundations—include campus-related foundations and student housing corporations reported as an aggregate discretely presented component unit in the State University of New York financial statements. The campus-related foundations are responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of the campuses. The student housing corporations operate and administer certain housing and related services for students.

CUNY Foundations—include fifteen campus-related foundations reported as discretely presented component units in the City University of New York Senior Colleges' financial statements. These foundations support both academic and general needs of the colleges and their students.

Miscellaneous—aggregation of 23 other non-major component units listed in Note 14.

Combining Statement of Net Assets (Deficits)

DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS

March 31, 2012
(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Bank Agency	NYS Energy Research & Development Authority	NYS Higher Education Services Corporation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:						
Cash and investments	$ 316	$ 241	$ 462	$ 28	$ 1,022	$ 112
Receivables, net of allowances for uncollectibles:						
Loans, leases, and notes	—	3	3	750	12	—
Other	71	8	4	15	31	37
Other assets	56	—	44	—	—	6
Capital assets:						
Construction in progress	—	—	—	—	—	—
Land and buildings, net of depreciation	2	—	485	—	13	1
Intangible assets	—	—	—	—	—	—
Derivative instruments	—	—	—	—	—	—
Total assets	**445**	**252**	**998**	**793**	**1,078**	**156**
Deferred outflows of resources	—	—	93	—	—	—
Total assets and deferred outflows of resources	**445**	**252**	**1,091**	**793**	**1,078**	**156**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:						
Accounts payable	42	—	1	—	26	18
Accrued liabilities	22	32	169	13	72	—
Pension contributions payable	—	—	—	—	—	—
Deferred revenues	—	—	42	—	1	—
Notes payable	—	—	—	—	—	—
Bonds payable	—	—	20	50	—	—
Current portion of other long-term liabilities	—	—	—	—	3	—
Due in more than one year:						
Accrued liabilities	1	—	21	26	—	10
Pension contributions payable	—	—	—	—	—	—
Other postemployment benefits	111	1	27	—	—	—
Pollution remediation	—	—	—	—	—	—
Deferred revenues	199	—	316	—	—	—
Notes payable	—	—	—	—	—	—
Bonds payable	—	—	1,047	715	—	—
Other long-term liabilities	56	—	—	—	3	8
Derivative instruments	—	—	93	—	—	—
Total liabilities	**431**	**33**	**1,736**	**804**	**105**	**36**
Deferred inflows of resources	—	—	—	—	—	—
Total liabilities and deferred inflows of resources	**431**	**33**	**1,736**	**804**	**105**	**36**
NET ASSETS (DEFICITS):						
Invested in capital assets, net of related debt	—	—	9	—	13	1
Restricted for:						
Debt service	—	—	65	—	—	—
Higher education	—	—	—	—	—	119
Environmental projects and energy programs	—	—	—	—	957	—
Economic development and housing	—	163	—	—	—	—
Insurance and administrative requirements	—	—	—	—	—	—
Other purposes	—	—	26	—	—	—
Unrestricted (deficit)	14	56	(745)	(11)	3	—
Total net assets (deficits)	**$ 14**	**$ 219**	**$ (645)**	**$ (11)**	**$ 973**	**$ 120**

See independent auditors' report.

Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations	CUNY Foundations	Miscellaneous	Totals 2012	Totals 2011
$ 64	$ 396	$ 1,495	$ 497	$ 1,009	**$ 5,642**	$ 5,354
—	—	—	—	33	**801**	801
23	75	141	120	126	**651**	655
8	14	61	11	20	**220**	208
41	7	130	—	48	**226**	132
673	282	352	37	629	**2,474**	2,429
—	—	—	—	—	**—**	1
—	—	—	—	—	**—**	2
809	**774**	**2,179**	**665**	**1,865**	**10,014**	**9,582**
—	—	—	—	—	**93**	72
809	**774**	**2,179**	**665**	**1,865**	**10,107**	**9,654**
—	—	—	—	43	**130**	131
24	101	147	12	348	**940**	1,042
—	—	—	—	10	**10**	8
3	—	3	—	64	**113**	107
—	—	—	2	7	**9**	3
19	12	11	—	11	**123**	126
4	—	—	—	19	**26**	22
—	—	—	—	19	**77**	77
1	—	—	—	64	**65**	45
78	221	—	—	315	**753**	630
—	—	—	—	—	**—**	1
—	—	—	—	6	**521**	493
—	—	—	28	19	**47**	38
129	217	427	—	53	**2,588**	2,577
67	—	—	—	51	**185**	175
8	—	—	—	—	**101**	77
333	**551**	**588**	**42**	**1,029**	**5,688**	**5,552**
—	—	—	—	—	**—**	2
333	**551**	**588**	**42**	**1,029**	**5,688**	**5,554**
530	82	119	—	611	**1,365**	1,334
—	—	—	—	7	**72**	70
—	—	1,213	542	—	**1,874**	1,634
—	—	—	—	—	**957**	846
—	—	—	—	107	**270**	235
—	—	—	—	9	**9**	9
51	116	—	—	74	**267**	294
(105)	25	259	81	28	**(395)**	(322)
$ 476	**$ 223**	**$ 1,591**	**$ 623**	**$ 836**	**$ 4,419**	**$ 4,100**

Combining Statement of Activities

DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS

Year Ended March 31, 2012

(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Bank Agency	NYS Energy Research & Development Authority	NYS Higher Education Services Corporation
EXPENSES:						
Program operations	$ 623	$ 1,708	$ 177	$ 4	$ 530	$ 1,002
Interest on long-term debt	—	—	33	36	—	—
Other interest	—	—	—	—	—	—
Depreciation and amortization	—	—	10	—	2	—
Other expenses	49	7	—	—	12	1
Total expenses	**672**	**1,715**	**220**	**40**	**544**	**1,003**
PROGRAM REVENUES:						
Charges for services	3	—	230	39	15	1,006
Operating grants and contributions	657	1,690	—	—	191	—
Capital grants and contributions	—	—	—	—	—	—
Total program revenues	**660**	**1,690**	**230**	**39**	**206**	**1,006**
Net program revenue (expenses)	**(12)**	**(25)**	**10**	**(1)**	**(338)**	**3**
GENERAL REVENUES:						
Non-State grants and contributions not restricted to specific programs	—	—	—	2	—	—
Investment earnings:						
Restricted	—	—	—	2	—	—
Unrestricted	2	—	—	—	—	—
Miscellaneous	—	6	—	—	448	—
Total general revenues	**2**	**6**	**—**	**4**	**448**	**—**
Change in net assets	**(10)**	**(19)**	**10**	**3**	**110**	**3**
Net assets (deficits)—beginning of year, as restated	**24**	**238**	**(655)**	**(14)**	**863**	**117**
Net assets (deficits)—end of year	**$ 14**	**$ 219**	**$ (645)**	**$ (11)**	**$ 973**	**$ 120**

See independent auditors' report.

Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations	CUNY Foundations	Miscellaneous	Totals 2012	Totals 2011
$ 193	$ 453	$ 176	$ 55	$ 1,032	**$ 5,953**	$ 6,177
—	10	13	—	3	**95**	88
9	—	—	—	—	**9**	9
57	35	17	—	54	**175**	172
8	14	65	15	49	**220**	199
267	**512**	**271**	**70**	**1,138**	**6,452**	**6,645**
65	370	119	—	572	**2,419**	2,306
43	80	163	81	361	**3,266**	3,240
26	—	—	—	31	**57**	121
134	**450**	**282**	**81**	**964**	**5,742**	**5,667**
(133)	**(62)**	**11**	**11**	**(174)**	**(710)**	**(978)**
52	1	—	—	51	**106**	120
—	—	27	38	49	**116**	57
—	—	14	27	17	**60**	65
62	36	177	5	27	**761**	717
114	**37**	**218**	**70**	**144**	**1,043**	**959**
(19)	**(25)**	**229**	**81**	**(30)**	**333**	**(19)**
495	**248**	**1,362**	**542**	**866**	**4,086**	**4,119**
$ 476	**$ 223**	**$ 1,591**	**$ 623**	**$ 836**	**$ 4,419**	**$ 4,100**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

Statistical Section

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the State's most significant revenue source, the personal income tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The State implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

Changes in Fund Balances

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
REVENUES:					
Taxes:					
Personal income	$ 21,967	$ 25,150	$ 28,382	$ 31,695	$ 34,615
Consumption and use	10,753	11,852	13,005	13,101	12,734
Business	5,049	4,879	5,699	6,929	8,488
Other	1,212	1,210	1,821	1,898	2,024
Federal grants	35,312	38,241	37,480	36,625	38,163
Public health/patient fees	3,325	3,439	3,449	3,149	3,810
Tobacco settlement	745	324	774	514	528
Miscellaneous	6,336	6,978	7,981	13,582	9,558
Total revenues	**84,699**	**92,073**	**98,591**	**107,493**	**109,920**
EXPENDITURES:					
Local assistance grants:					
Social services	36,220	38,616	38,711	40,062	42,794
Education	21,282	23,323	24,205	25,459	27,711
Mental hygiene	1,331	1,384	1,336	1,422	1,537
General purpose	847	869	1,016	1,047	1,192
Health and environment	3,052	3,395	3,490	4,221	4,527
Transportation	3,370	2,437	2,510	3,097	2,984
Criminal justice	300	519	370	337	461
Miscellaneous	2,488	2,708	2,459	1,471	2,555
State operations:					
Personal service	8,036	7,785	8,050	8,405	8,780
Non-personal service	5,404	5,340	5,189	6,208	5,751
Pension contributions	177	475	691	964	1,078
Other fringe benefits	2,308	2,792	3,147	3,257	3,314
Capital construction	3,362	3,608	3,599	4,048	4,404
Debt service, including payments on financing arrangements:					
Principal—(General obligation)	390	349	331	341	352
Interest—(General obligation)	182	160	153	146	146
Principal—(Other financing arrangements)	—	—	—	—	—
Interest—(Other financing arrangements)	—	—	—	—	—
Other	2,398	2,931	2,996	3,528	3,094
Total expenditures	**91,147**	**96,691**	**98,253**	**104,013**	**110,680**
Excess (deficiency) of revenues over expenditures	**(6,448)**	**(4,618)**	**338**	**3,480**	**(760)**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	2,238	2,628	2,947	2,295	2,707
Transfers to other funds	(3,637)	(3,182)	(3,560)	(3,914)	(5,202)
Collateralized borrowing	—	—	—	—	—
General obligation bonds issued	246	147	178	159	180
Financing arrangements issued	3,192	8,249	2,176	1,824	3,019
Refunding debt issued	6,586	4,456	2,168	3,205	543
Payments to escrow agents for refundings	(6,481)	(4,443)	(2,137)	(3,201)	(535)
Swap termination	—	—	—	—	—
Premiums on bonds issued	—	—	—	1	3
Net other financing sources (uses)	**2,144**	**7,855**	**1,772**	**369**	**715**
Net change in fund balances	**$ (4,304)**	**$ 3,237**	**$ 2,110**	**$ 3,849**	**$ (45)**
Debt service (principal and interest) as a percentage of non-capital expenditures	**3.52%**	**3.79%**	**3.78%**	**4.11%**	**3.46%**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

Fiscal Year				
2008	2009	2010	2011	2012
$ 38,792	$ 33,096	$ 34,536	$ 37,705	$ 38,355
13,101	13,131	13,069	14,133	14,528
8,163	7,711	7,547	7,115	7,758
2,292	1,769	2,753	3,228	3,115
37,802	41,637	51,407	54,659	48,016
3,900	3,734	4,296	4,655	4,648
580	594	491	457	453
9,410	9,044	11,780	11,371	11,433
114,040	**110,716**	**125,879**	**133,323**	**128,306**
42,689	44,741	52,341	53,894	51,893
30,208	31,047	31,097	32,380	31,255
1,859	1,998	1,912	2,020	2,090
928	1,220	1,251	1,037	1,042
4,423	4,592	4,250	4,460	4,466
3,634	4,109	5,123	5,311	5,327
493	516	624	506	745
3,142	2,901	2,068	2,685	2,049
9,230	9,819	9,733	9,857	9,439
6,178	5,694	5,826	5,899	5,767
1,117	973	874	1,234	1,538
3,500	3,840	3,893	4,338	4,477
4,467	5,127	5,029	4,174	4,198
350	353	355	365	361
139	127	123	135	137
—	—	—	—	2,778
—	—	—	—	1,956
3,589	3,622	4,067	4,394	—
115,946	**120,679**	**128,566**	**132,689**	**129,518**
(1,906)	**(9,963)**	**(2,687)**	**634**	**(1,212)**
2,709	2,761	2,959	3,315	3,282
(4,810)	(5,072)	(5,158)	(5,085)	(5,099)
—	—	—	102	—
268	455	449	500	330
3,237	3,689	4,354	2,253	2,945
2,280	3,874	2,200	1,907	1,868
(2,383)	(3,926)	(2,278)	(2,052)	(2,033)
—	(32)	(94)	(48)	(27)
245	215	378	375	565
1,546	**1,964**	**2,810**	**1,267**	**1,831**
$ (360)	**$ (7,999)**	**$ 123**	**$ 1,901**	**$ 619**
3.76%	**3.61%**	**3.73%**	**3.87%**	**4.23%**

Net Assets by Component

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	$ 60,823	$ 60,441	$ 61,375	$ 62,071	$ 62,500
Restricted for:					
Debt service	2,278	2,454	2,821	2,270	2,210
Other purposes	141	240	374	2,566	2,313
Unrestricted (deficit)	(20,846)	(24,049)	(23,380)	(20,910)	(21,696)
Total governmental activities net assets	**$ 42,396**	**$ 39,086**	**$ 41,190**	**$ 45,997**	**$ 45,327**
Business-type activities:					
Invested in capital assets, net of related debt	$ (520)	$ 23	$ 63	$ 9	$ 207
Restricted for:					
Unemployment benefits	659	372	596	1,130	1,308
Higher education	1,401	1,082	1,104	1,257	1,344
Other purposes	91	142	151	130	104
Unrestricted (deficit)	869	469	731	610	636
Total business-type activities net assets	**$ 2,500**	**$ 2,088**	**$ 2,645**	**$ 3,136**	**$ 3,599**
Primary government:					
Invested in capital assets, net of related debt	$ 60,303	$ 60,464	$ 61,438	$ 62,080	$ 62,707
Restricted for:					
Unemployment benefits	659	372	596	1,130	1,308
Debt service	2,278	2,454	2,821	2,270	2,210
Higher education	1,401	1,082	1,104	1,257	1,344
Other purposes	232	382	525	2,696	2,417
Unrestricted (deficit)	(19,977)	(23,580)	(22,649)	(20,300)	(21,060)
Total primary government net assets	**$ 44,896**	**$ 41,174**	**$ 43,835**	**$ 49,133**	**$ 48,926**

Source: Office of the State Comptroller

Fiscal Year				
2008	2009	2010	2011	2012
$ 62,800	$ 63,476	$ 63,797	$ 65,118	$ 65,875
2,304	2,321	2,277	2,506	2,502
1,231	517	387	508	649
(22,825)	(35,420)	(38,485)	(40,484)	(42,693)
$ 43,510	**$ 30,894**	**$ 27,976**	**$ 27,648**	**$ 26,333**
$ 353	$ 569	$ 468	$ 685	$ 920
1,313	351	—	—	—
1,634	1,619	1,021	1,003	1,204
110	72	79	105	141
807	420	(1,452)	(2,411)	(2,923)
$ 4,217	**$ 3,031**	**$ 116**	**$ (618)**	**$ (658)**
$ 63,153	$ 64,045	$ 64,265	$ 65,803	$ 66,795
1,313	351	—	—	—
2,304	2,321	2,277	2,506	2,502
1,634	1,619	1,021	1,003	1,204
1,341	589	466	613	790
(22,018)	(35,000)	(39,937)	(42,895)	(45,616)
$ 47,727	**$ 33,925**	**$ 28,092**	**$ 27,030**	**$ 25,675**

Changes in Net Assets

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
EXPENSES:					
Governmental activities:					
Education	$ 21,215	$ 22,845	$ 24,023	$ 25,303	$ 28,222
Public health	35,427	38,013	39,540	41,631	44,869
Public welfare	11,230	11,642	10,697	10,669	11,291
Public safety	4,948	5,961	5,597	5,001	5,521
Transportation	6,043	4,740	4,614	5,836	5,893
Environment and recreation	1,163	1,259	1,324	1,193	1,226
Support and regulate business	873	1,250	927	1,507	1,062
General government	6,467	7,041	6,937	8,280	8,684
Interest on long-term debt	1,206	1,851	1,684	1,712	1,478
Total governmental activities expenses	**88,572**	**94,602**	**95,343**	**101,132**	**108,246**
Business-type activities:					
Lottery	3,717	3,993	4,298	4,721	4,945
Unemployment insurance	4,590	3,877	2,638	2,507	2,344
State University of New York	5,484	5,732	6,138	6,396	7,003
City University of New York	1,852	1,953	1,903	2,056	2,246
Total business-type activities expenses	**15,643**	**15,555**	**14,977**	**15,680**	**16,538**
Total primary government expenses	**$ 104,215**	**$ 110,157**	**$ 110,320**	**$ 116,812**	**$ 124,784**
PROGRAM REVENUES:					
Governmental activities:					
Charges for services:					
Education	$ 144	$ 158	$ 125	$ 123	$ 95
Public health	3,350	3,305	3,437	8,273	5,141
Public welfare	561	708	313	702	385
Public safety	222	158	193	198	185
Transportation	858	1,018	914	974	1,069
Environment and recreation	286	321	246	227	258
Support and regulate business	443	398	247	276	487
General government	670	1,627	2,122	1,724	1,050
Operating grants and contributions	34,383	36,526	36,020	35,333	36,752
Capital grants and contributions	1,158	1,047	1,423	1,277	1,392
Total governmental activities program revenues	**42,075**	**45,266**	**45,040**	**49,107**	**46,814**
Business-type activities:					
Charges for services:					
Lottery	5,396	5,848	6,271	6,803	7,175
State University of New York	2,243	2,152	2,726	2,700	2,948
City University of New York	330	373	437	463	484
Operating grants and contributions	5,551	5,389	4,762	4,736	4,504
Capital grants and contributions	8	116	15	80	73
Total business-type activities program revenues	**13,528**	**13,878**	**14,211**	**14,782**	**15,184**
Total primary government program revenues	**$ 55,603**	**$ 59,144**	**$ 59,251**	**$ 63,889**	**$ 61,998**
NET (EXPENSE)/REVENUE:					
Governmental activities:	$ (47,152)	$ (50,036)	$ (51,008)	$ (52,783)	$ (62,266)
Business-type activities:	(1,781)	(1,551)	(525)	(590)	(1,058)
Total primary government net expense	**$ (48,933)**	**$ (51,587)**	**$ (51,533)**	**$ (53,373)**	**$ (63,324)**

Fiscal Year				
2008	2009	2010	2011	2012
$ 31,215	$ 32,184	$ 31,075	$ 32,478	$ 30,828
44,777	47,233	51,499	52,618	58,817
12,491	13,824	16,226	17,091	12,703
6,011	6,066	5,641	6,143	6,264
6,595	7,164	8,112	7,778	8,347
1,275	1,276	1,338	1,625	1,653
1,288	1,911	1,713	1,827	1,625
7,841	9,457	9,234	9,707	5,641
1,862	1,752	1,839	2,040	1,922
113,355	**120,867**	**126,677**	**131,307**	**127,800**
5,044	5,235	5,221	5,250	5,587
2,412	4,562	10,267	9,414	7,363
7,965	8,379	9,509	9,032	9,709
2,443	2,617	2,847	2,950	2,937
17,864	**20,793**	**27,844**	**26,646**	**25,596**
$ 131,219	**$ 141,660**	**$ 154,521**	**$ 157,953**	**$ 153,396**
$ 88	$ 73	$ 118	$ 119	$ 99
4,676	4,459	5,086	5,687	6,159
597	458	1,024	751	636
208	194	173	167	163
1,033	1,109	1,317	1,425	1,483
291	297	324	315	269
539	822	1,528	1,413	1,527
1,050	1,920	1,989	1,848	2,426
36,509	40,401	50,058	53,072	46,627
1,305	1,344	1,240	1,427	1,429
46,296	**51,077**	**62,857**	**66,224**	**60,818**
7,548	7,660	7,818	7,868	8,439
3,219	3,279	3,533	3,803	4,004
504	519	541	614	622
4,518	5,667	10,903	11,445	10,020
61	69	48	76	95
15,850	**17,194**	**22,843**	**23,806**	**23,180**
$ 62,146	**$ 68,271**	**$ 85,700**	**$ 90,030**	**$ 83,998**
$ (67,828)	$ (70,563)	$ (63,820)	$ (65,083)	$ (66,982)
(1,660)	(3,599)	(5,001)	(2,840)	(2,416)
$ (69,488)	**$ (74,162)**	**$ (68,821)**	**$ (67,923)**	**$ (69,398)**

(Continued)

Changes in Net Assets (cont'd)

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:					
Governmental activities:					
Taxes:					
Personal income	$ 21,945	$ 25,129	$ 28,344	$ 31,694	$ 34,745
Consumption and use	10,749	11,828	12,998	13,079	12,727
Business	5,049	4,832	5,676	6,901	8,527
Other	1,214	1,217	1,817	1,897	2,022
Grants and contributions not restricted to specific programs	—	645	—	—	—
Investment earnings	282	444	683	685	833
Miscellaneous	3,736	3,171	4,107	4,055	4,240
Transfers	(1,761)	(1,240)	(1,218)	(1,479)	(2,332)
Total governmental activities	**41,214**	**46,026**	**52,407**	**56,832**	**60,762**
Business-type activities:					
Investment earnings	391	169	81	127	366
Miscellaneous	188	173	453	505	292
Transfers	1,349	923	789	757	1,159
Total business-type activities	**1,928**	**1,265**	**1,323**	**1,389**	**1,817**
Total primary government	**$ 43,142**	**$ 47,291**	**$ 53,730**	**$ 58,221**	**$ 62,579**
CHANGE IN NET ASSETS:					
Governmental activities	$ (5,283)	$ (3,310)	$ 2,104	$ 4,807	$ (670)
Business-type activities	(187)	(412)	557	491	463
Total primary government	**$ (5,470)**	**$ (3,722)**	**$ 2,661**	**$ 5,298**	**$ (207)**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

Fiscal Year				
2008	2009	2010	2011	2012
$ 38,756	$ 33,108	$ 34,521	$ 37,629	$ 38,329
13,087	13,137	13,076	14,115	14,492
8,157	7,661	7,662	6,892	7,782
2,291	1,898	2,780	3,187	3,128
—	—	—	—	—
997	256	115	84	—
3,876	3,983	4,906	4,663	3,682
(1,922)	(2,226)	(2,158)	(1,739)	(1,746)
65,242	**57,817**	**60,902**	**64,831**	**65,667**
639	270	39	208	367
119	300	235	593	474
1,543	1,845	1,812	1,307	1,535
2,301	**2,415**	**2,086**	**2,108**	**2,376**
$ 67,543	**$ 60,232**	**$ 62,988**	**$ 66,939**	**$ 68,043**
$ (1,817)	$ (11,973)	$ (2,918)	$ (252)	$ (1,315)
287	(1,184)	(2,915)	(732)	(40)
$ (1,530)	**$ (13,157)**	**$ (5,833)**	**$ (984)**	**$ (1,355)**

Fund Balances

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund (per GASBS 54):					
Restricted	$ —	$ —	$ —	$ —	$ —
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
General Fund (prior to GASBS 54):					
Reserved	1,216	1,782	1,773	1,798	2,011
Unreserved	(4,536)	(2,063)	(1,227)	384	373
Total general fund	**$ (3,320)**	**$ (281)**	**$ 546**	**$ 2,182**	**$ 2,384**
All Other Governmental Funds (per GASBS 54):					
Restricted	$ —	$ —	$ —	$ —	$ —
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
All Other Governmental Funds (prior to GASBS 54):					
Reserved	7,611	9,051	9,099	11,277	10,652
Unreserved, reported in:					
Federal special revenue funds	(496)	(700)	(768)	(1,026)	(900)
Special revenue funds	2,917	2,260	3,110	3,938	3,584
Capital projects funds	(4,202)	(4,580)	(4,121)	(4,544)	(4,089)
Debt service funds	450	447	441	329	480
Total all other governmental funds	**$ 6,280**	**$ 6,478**	**$ 7,761**	**$ 9,974**	**$ 9,727**

Source: Office of the State Comptroller

Note: 2011 figures restated for GASBS 54 implementation.

Tax Receipts by Source

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts in millions)

Fiscal Year	Personal Income	Sales and Use	Motor Fuel	Corporate Franchise	Cigarette	Corporate & Utility	Other Miscellaneous	Total Taxes Collected by Year
2002-2003	$ 21,967	$ 9,309	$ 552	$ 1,655	$ 514	$ 1,083	$ 3,901	$ 38,981
2003-2004	25,150	10,433	543	1,657	442	860	4,006	43,091
2004-2005	28,382	11,587	557	2,070	427	812	5,072	48,907
2005-2006	31,695	11,199	530	2,985	974	813	5,427	53,623
2006-2007	34,615	10,828	517	4,170	993	809	5,929	57,861
2007-2008	38,792	11,197	520	3,964	967	795	6,113	62,348
2008-2009	33,096	10,906	500	3,265	1,330	875	5,735	55,707
2009-2010	34,536	10,705	516	2,541	1,389	965	7,253	57,905
2010-2011	37,705	11,479	513	2,782	1,608	796	7,298	62,181
2011-2012	38,355	11,839	501	3,128	1,628	785	7,520	63,756

Source: Office of the State Comptroller
New York State Division of the Budget

Note: Figures restated for prior period adjustments.

Fiscal Year					
2008	2009	2010	2011	2012
$ —	$ —	$ —	$ —	$ —
—	—	—	219	567
—	—	—	989	1,574
—	—	—	(3,217)	(4,009)
3,546	2,624	3,125	—	—
405	(5,568)	(6,663)	—	—
$ 3,951	**$ (2,944)**	**$ (3,538)**	**$ (2,009)**	**$ (1,868)**
$ —	$ —	$ —	$ 3,649	$ 3,151
—	—	—	3,480	3,715
—	—	—	1,784	1,772
—	—	—	(1,128)	(375)
10,257	9,787	11,406	—	—
(964)	(1,081)	(1,341)	—	—
3,558	2,677	2,093	—	—
(5,144)	(4,798)	(5,279)	—	—
93	111	534	—	—
$ 7,800	**$ 6,696**	**$ 7,413**	**$ 7,785**	**$ 8,263**

Program Revenues by Function/Program

LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts in millions)

	Program Revenues				
	2003	2004	2005	2006	2007
FUNCTION/PROGRAM:					
Governmental activities:					
Education	$ 2,628	$ 3,259	$ 3,480	$ 3,833	$ 3,766
Public health	24,636	26,505	26,878	31,526	29,514
Public welfare	9,046	8,321	7,678	8,204	7,882
Public safety	1,727	2,170	1,452	480	697
Transportation	2,209	2,320	2,578	2,540	2,758
Environment and recreation	552	538	496	428	451
Support and regulate business	475	406	266	299	503
General government	802	1,747	2,212	1,797	1,243
Interest on long-term debt	—	—	—	—	—
Total governmental activities	**42,075**	**45,266**	**45,040**	**49,107**	**46,814**
Business-type activities:					
Lottery	5,396	5,848	6,271	6,803	7,175
Unemployment insurance	3,911	3,590	2,727	2,754	2,490
State University of New York	3,409	3,510	4,123	4,110	4,379
City University of New York	812	930	1,090	1,115	1,140
Total business-type activities	**13,528**	**13,878**	**14,211**	**14,782**	**15,184**
Total primary government	**$ 55,603**	**$ 59,144**	**$ 59,251**	**$ 63,889**	**$ 61,998**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

New York State and Local Retirement System—Changes in Net Assets

LAST TEN FISCAL YEARS
(Amounts in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Additions:					
Member contributions	$ 219,192	$ 221,871	$ 227,308	$ 241,173	$ 250,158
Employer contributions	651,931	1,286,455	2,964,843	2,782,147	2,718,551
Investment income(loss), net of expenses	(11,235,815)	27,334,752	9,679,979	17,615,876	17,416,082
Other	109,730	77,148	122,767	94,556	131,863
Total additions to plan net assets	**(10,254,962)**	**28,920,226**	**12,994,897**	**20,733,752**	**20,516,654**
Deductions:					
Retirement allowances	4,836,206	5,190,147	5,512,849	5,867,718	6,218,783
Death benefits	148,372	157,314	161,857	161,249	164,632
Administrative expenses	67,496	69,612	65,324	78,506	79,772
Other	45,188	76,816	16,159	43,901	48,316
Total deductions from plan assets	**5,097,262**	**5,493,889**	**5,756,189**	**6,151,374**	**6,511,503**
Change in net assets	**$ (15,352,224)**	**$ 23,426,337**	**$ 7,238,708**	**$ 14,582,378**	**$ 14,005,151**

Source: New York State and Local Retirement System

Note: For additional information, please see www.osc.state.ny.us/retire/publications/index.htm.

Program Revenues

2008	2009	2010	2011	2012
$ 3,315	$ 3,684	$ 3,853	$ 4,322	$ 4,221
28,900	31,402	38,314	38,733	34,984
8,315	9,056	12,021	12,590	12,011
916	481	758	730	762
2,613	2,931	3,017	3,491	3,365
493	413	521	742	625
552	835	1,542	1,430	1,546
1,192	2,275	2,826	4,156	3,261
—	—	5	30	43
46,296	**51,077**	**62,857**	**66,224**	**60,818**
7,548	7,660	7,818	7,868	8,439
2,389	3,582	8,603	8,813	7,323
4,719	4,740	5,154	5,646	5,893
1,194	1,212	1,268	1,479	1,525
15,850	**17,194**	**22,843**	**23,806**	**23,180**
$ 62,146	**$ 68,271**	**$ 85,700**	**$ 90,030**	**$ 83,998**

Fiscal Year

2008	2009	2010	2011	2012
$ 265,676	$ 273,316	$ 284,291	$ 286,199	$ 273,247
2,648,448	2,456,223	2,344,222	4,164,571	4,585,178
3,163,728	(40,428,820)	28,422,361	19,339,896	7,868,313
116,112	155,918	81,981	127,709	157,625
6,193,964	**(37,543,363)**	**31,132,855**	**23,918,375**	**12,884,363**
6,653,820	7,031,621	7,480,101	8,272,262	8,677,822
181,693	180,491	183,023	192,265	184,960
90,304	99,229	100,029	101,333	100,649
47,521	53,387	55,748	55,696	75,049
6,973,338	**7,364,728**	**7,818,901**	**8,621,556**	**9,038,480**
$ (779,374)	**$ (44,908,091)**	**$ 23,313,954**	**$ 15,296,819**	**$ 3,845,883**

Personal Income Tax Filers and Liability by Income Level

FOR TEN YEARS STATED

(Amounts in thousands)

2000
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2000

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,082,379	13%	$ (33,430)	0%
$ 5,000–9,999	912,361	11%	(134,835)	–1%
10,000–19,999	1,372,544	17%	(52,310)	0%
20,000–29,999	1,076,279	13%	531,738	2%
30,000–39,999	840,802	10%	916,843	4%
40,000–49,999	615,956	8%	1,002,229	5%
50,000–59,999	468,257	6%	1,014,292	5%
60,000–74,999	513,045	6%	1,472,446	7%
75,000–99,999	505,027	6%	2,015,234	10%
100,000–199,999	519,221	7%	3,735,901	18%
200,000 and over	217,173	3%	10,529,250	50%
Total	**8,123,044**	**100%**	**$20,997,359**	**100%**

2001
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2001

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,099,726	14%	$ (36,957)	0%
$ 5,000–9,999	865,739	11%	(138,532)	–1%
10,000–19,999	1,335,044	17%	(123,275)	–1%
20,000–29,999	1,052,949	13%	484,510	3%
30,000–39,999	837,757	10%	897,780	5%
40,000–49,999	619,279	8%	996,088	5%
50,000–59,999	464,371	6%	995,479	5%
60,000–74,999	515,464	6%	1,466,090	8%
75,000–99,999	515,543	6%	2,033,086	11%
100,000–199,999	528,198	6%	3,746,962	20%
200,000 and over	203,001	3%	8,507,936	45%
Total	**8,037,071**	**100%**	**$18,829,167**	**100%**

2004
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2004

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,170,424	15%	$ (62,168)	0%
$ 5,000–9,999	823,368	10%	(145,378)	–1%
10,000–19,999	1,264,123	16%	(282,049)	–1%
20,000–29,999	990,224	12%	301,752	1%
30,000–39,999	815,073	10%	795,065	4%
40,000–49,999	628,266	8%	965,901	4%
50,000–59,999	466,514	6%	966,540	5%
60,000–74,999	524,742	6%	1,446,315	7%
75,000–99,999	554,372	7%	2,121,162	10%
100,000–199,999	596,606	7%	4,183,689	19%
200,000 and over	230,838	3%	11,299,366	52%
Total	**8,064,550**	**100%**	**$21,590,194**	**100%**

2005
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2005

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,145,067	14%	$ (66,663)	0%
$ 5,000–9,999	826,503	10%	(148,495)	–1%
10,000–19,999	1,275,641	16%	(289,586)	–1%
20,000–29,999	1,002,581	12%	294,028	1%
30,000–39,999	814,589	10%	789,437	3%
40,000–49,999	629,992	8%	968,166	4%
50,000–59,999	469,666	6%	973,557	4%
60,000–74,999	528,785	6%	1,456,936	6%
75,000–99,999	574,255	7%	2,191,923	9%
100,000–199,999	637,544	8%	4,451,432	19%
200,000 and over	257,867	3%	13,244,481	56%
Total	**8,162,490**	**100%**	**$23,865,215**	**100%**

2008
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2008

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,292,795	15%	$ (84,305)	0%
$ 5,000–9,999	787,894	9%	(147,595)	–1%
10,000–19,999	1,256,101	15%	(386,794)	–1%
20,000–29,999	985,422	11%	148,501	0%
30,000–39,999	815,979	10%	681,716	3%
40,000–49,999	646,905	8%	942,276	3%
50,000–59,999	496,499	6%	992,709	4%
60,000–74,999	556,628	6%	1,486,364	6%
75,000–99,999	625,853	7%	2,323,346	9%
100,000–199,999	801,428	9%	5,518,224	21%
200,000 and over	321,736	4%	14,850,163	56%
Total	**8,587,240**	**100%**	**$26,324,603**	**100%**

2009[1]
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2009

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,268,716	15%	$ (102,968)	0%
$ 5,000–9,999	811,045	10%	(177,287)	–1%
10,000–19,999	1,301,282	15%	(444,632)	–2%
20,000–29,999	987,772	12%	89,498	0%
30,000–39,999	799,520	9%	631,541	2%
40,000–49,999	634,187	7%	918,218	4%
50,000–59,999	493,064	6%	991,028	4%
60,000–74,999	551,325	6%	1,480,225	6%
75,000–99,999	623,467	7%	2,323,477	9%
100,000–199,999	803,594	9%	5,531,643	21%
200,000 and over	296,502	4%	14,674,350	57%
Total	**8,570,474**	**100%**	**$25,915,093**	**100%**

Source: New York State Department of Taxation and Finance

Note: (1) Calendar years after 2009 are not yet available; please see www.tax.ny.gov for additional information.

2002
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2002

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,147,330	14%	$ (46,412)	0%
$ 5,000–9,999	851,799	11%	(144,238)	–1%
10,000–19,999	1,314,760	16%	(188,667)	–1%
20,000–29,999	1,033,443	13%	416,859	2%
30,000–39,999	825,347	10%	858,914	5%
40,000–49,999	621,435	8%	980,604	6%
50,000–59,999	459,327	6%	968,129	6%
60,000–74,999	519,994	6%	1,457,215	8%
75,000–99,999	525,565	7%	2,041,915	12%
100,000–199,999	533,802	7%	3,746,124	21%
200,000 and over	196,969	2%	7,379,544	42%
Total	**8,029,771**	**100%**	**$17,469,989**	**100%**

2003
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2003

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,174,853	15%	$ (53,777)	0%
$ 5,000–9,999	833,759	10%	(164,814)	–1%
10,000–19,999	1,285,687	16%	(279,415)	–1%
20,000–29,999	1,017,276	13%	336,793	2%
30,000–39,999	820,358	10%	816,554	4%
40,000–49,999	619,173	8%	959,105	5%
50,000–59,999	459,446	6%	956,322	5%
60,000–74,999	515,069	6%	1,428,386	7%
75,000–99,999	536,852	7%	2,068,743	11%
100,000–199,999	560,063	7%	3,954,366	21%
200,000 and over	203,810	2%	8,924,744	47%
Total	**8,026,346**	**100%**	**$18,947,007**	**100%**

2006
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2006

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,118,894	13%	$ (91,631)	0%
$ 5,000–9,999	824,596	10%	(172,332)	–1%
10,000–19,999	1,290,097	15%	(386,792)	–1%
20,000–29,999	1,016,079	12%	184,324	1%
30,000–39,999	829,814	10%	706,969	3%
40,000–49,999	640,364	8%	917,624	4%
50,000–59,999	480,661	6%	939,863	4%
60,000–74,999	543,846	7%	1,424,481	6%
75,000–99,999	597,498	7%	2,185,284	9%
100,000–199,999	704,317	8%	4,815,069	19%
200,000 and over	293,425	4%	14,291,890	56%
Total	**8,339,591**	**100%**	**$24,814,750**	**100%**

2007
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2007

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,221,819	14%	$ (126,447)	0%
$ 5,000–9,999	847,130	10%	(188,932)	–1%
10,000–19,999	1,317,075	15%	(406,225)	–1%
20,000–29,999	1,024,299	12%	168,782	1%
30,000–39,999	848,679	10%	720,900	2%
40,000–49,999	657,263	7%	948,389	3%
50,000–59,999	498,842	6%	983,954	3%
60,000–74,999	561,981	6%	1,482,444	5%
75,000–99,999	622,813	7%	2,288,409	8%
100,000–199,999	768,436	9%	5,276,023	18%
200,000 and over	332,655	4%	18,490,962	62%
Total	**8,700,992**	**100%**	**$29,638,258**	**100%**

Personal Income by Industry

LAST TEN CALENDAR YEARS
(Amounts in millions)

	Calendar Year				
	2002	2003	2004	2005	2006
Total personal income	$ 677,604	$ 691,123	$ 737,755	$ 805,717	$ 818,426
Farm earnings	596	781	805	1,029	592
Nonfarm earnings	548,911	557,906	595,910	640,427	667,882
Private earnings	468,952	474,881	508,731	547,340	574,142
Agricultural services, forestry, fishing	1,226	1,214	1,245	1,300	1,255
Mining	942	829	934	1,044	2,175
Utilities	5,483	5,576	5,708	6,056	5,762
Construction	23,097	23,450	24,559	25,880	27,266
Manufacturing	42,360	43,133	43,719	44,750	45,552
Wholesale trade	25,391	26,278	27,831	29,324	30,446
Retail trade	28,185	29,067	30,537	32,704	33,112
Transportation and warehousing	11,648	11,941	12,559	13,368	13,636
Information	33,482	34,470	36,015	37,930	38,277
Finance and insurance	92,368	89,925	102,607	112,614	120,710
Real estate, rental and leasing	13,657	15,570	14,893	16,105	17,321
Professional and technical services	59,209	58,694	62,741	69,610	76,751
Management of companies and enterprises	16,101	15,591	16,591	17,411	18,708
Administrative and waste services	16,698	17,433	18,596	20,562	20,661
Educational services	11,298	12,100	12,880	14,195	14,588
Health care and social assistance	54,547	57,000	60,445	64,775	67,272
Arts, entertainment, and recreation	7,341	7,629	8,300	8,818	8,790
Accommodation and food services	11,832	12,346	13,112	14,150	14,757
Other services, except public administration	14,079	14,806	15,451	16,745	17,100
Government and government enterprises	79,959	83,025	87,179	93,086	93,740
Federal, civilian	10,080	10,189	10,813	11,330	10,939
Military	1,991	2,442	2,626	2,921	3,340
State and local	67,887	70,392	73,738	78,835	79,460

Source: Bureau of Economic Analysis

Notes:

Deviation between personal income and earnings by industry are due to dividends, interest, rent, personal current transfer receipts, employer contributions for government social insurance, employee and self-employed contributions for government social insurance, and adjustment for residence.

Calendar year 2011 data is estimated. For more information, please see www.bea.gov.

Calendar Year				
2007	2008	2009	2010	2011
$ 914,432	**$ 937,010**	**$ 917,610**	**$ 946,054**	**$ 983,868**
1,170	**1,015**	**806**	**1,209**	**1,694**
724,080	**752,457**	**700,447**	**721,629**	**754,162**
622,711	**644,763**	**588,548**	**606,487**	**640,345**
1,216	1,300	343	389	300
1,739	2,456	1,417	2,087	646
6,855	6,672	5,671	5,738	5,663
28,776	30,092	28,584	28,398	29,984
46,153	46,448	37,575	37,994	38,582
31,959	32,434	29,851	30,781	31,950
34,444	35,081	33,982	34,857	38,372
14,657	14,614	14,391	14,618	15,141
41,203	44,959	38,250	41,032	41,832
144,606	147,543	116,255	114,662	127,417
17,938	16,196	13,338	13,859	14,634
80,728	88,121	80,161	83,742	89,879
21,174	20,949	19,055	21,302	22,543
22,334	23,332	21,721	23,553	24,710
15,381	16,354	17,838	18,368	18,889
69,867	72,827	78,312	82,971	83,918
9,532	9,807	11,563	11,204	12,262
16,010	16,718	17,354	18,141	20,722
18,136	18,859	22,887	22,791	22,901
101,369	**107,694**	**111,899**	**115,142**	**113,817**
11,813	12,072	12,532	12,510	13,019
3,555	3,831	4,421	4,591	4,512
86,002	91,791	94,945	98,041	96,286

Personal Income Tax Rates

LAST TEN CALENDAR YEARS

Year	Top Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of: Single	Married Filing Jointly	Head of Household	Average Effective Rate[1]
2002	6.85%	$ 20,000	$ 40,000	$ 30,000	3.53%
2003	7.70%	500,000	500,000	500,000	3.24%
2004	7.70%	500,000	500,000	500,000	3.64%
2005	7.70%	500,000	500,000	500,000	3.85%
2006	6.85%	20,000	40,000	30,000	3.93%
2007	6.85%	20,000	40,000	30,000	4.23%
2008	6.85%	20,000	40,000	30,000	4.24%
2009	8.97%	500,000	500,000	500,000	3.53%
2010	8.97%	500,000	500,000	500,000	3.76%
2011	8.97%	500,000	500,000	500,000	3.99%

Source: New York State Department of Taxation and Finance (www.tax.ny.gov)

Notes:

(1) Fiscal year personal income tax collections divided by prior-year personal income.

See Exhibit Demographic and Economic Statistics I for personal income and population data.

See Exhibit Tax Receipts by Source for personal income tax collections.

Ratios of Outstanding Debt by Type

LAST TEN FISCAL YEARS
(Amounts in millions except per capita)

Fiscal Year	Governmental Activities: General Obligation Bonds[1]	Governmental Activities: Other Financing Arrangements[2]	Business-type Activities: Other Financing Arrangements[3]	Total Primary Government	Percentage of Personal Income[4]	Debt Per Capita[4]
2002-2003	$ 3,998	$ 27,880	$ 7,444	$ 39,322	6%	$ 2,053
2003-2004	3,825	35,084	8,025	46,934	7%	2,446
2004-2005	3,692	35,911	7,938	47,541	6%	2,473
2005-2006	3,511	35,763	7,825	47,099	6%	2,446
2006-2007	3,344	37,031	8,386	48,761	6%	2,526
2007-2008	3,264	38,511	8,787	50,562	6%	2,620
2008-2009	3,367	40,191	8,935	52,493	6%	2,693
2009-2010	3,461	42,410	9,413	55,284	6%	2,829
2010-2011	3,625	42,279	10,222	56,126	6%	2,896
2011-2012	3,611	42,574	11,875	58,060	6%	2,983

Source: Office of the State Comptroller

Notes:

(1) General Obligation Debt figures include par value, premiums and discounts.

(2) Other Financing Arrangements for Governmental Activities include Tobacco Settlement Financing Corporation bonds, Municipal Bond Bank Agency Special Purpose School Aid bonds, Capital Lease Obligations, Unamortized Bond Premiums and Discounts, Accumulated accretion on capital appreciation bonds and other State-Supported debt as defined by the State Finance Law.

(3) Other Financing Arrangements for Business-type Activities include Capital Lease Obligations, Mortgage Loan Commitments, Unamortized Bond Premiums and other State-Supported debt as defined by the State Finance Law.

(4) See Exhibit: Demographic and Economic Statistics I for personal income and population data.

Legal Debt Margin Information

LAST TEN FISCAL YEARS
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
Authorized Debt Limit—General Obligation Debt:					
Transportation Bonds	$ 7,500	$ 7,500	$ 7,500	$ 10,400	$ 10,400
Environmental Bonds	5,650	5,650	5,650	5,650	5,650
Housing Bonds	1,135	1,135	1,135	1,135	1,135
Education Bonds	250	250	250	250	250
Total General Obligation Debt	**14,535**	**14,535**	**14,535**	**17,435**	**17,435**
Local Government Assistance Corporation	4,700	4,700	4,700	4,700	4,700
Other Lease Purchase and Contractual Financing Arrangements	42,542	44,079	58,575[1]	64,315	69,889
Total Authorized Debt	**$ 61,777**	**$ 63,314**	**$ 77,810**	**$ 86,450**	**$ 92,024**
Total debt applicable to limit:[2]					
General Obligation[3]	$ 3,996	$ 3,804	$ 3,652	$ 3,470	$ 3,302
Local Government Assistance Corporation	4,575	4,569	4,449	4,317	4,204
Other Lease Purchase and Contractual Financing Arrangements	29,672	36,696	37,279	36,908	38,750
Direct Debt	**38,243**	**45,069**	**45,380**	**44,695**	**46,256**
Legal Debt Margin	**$ 23,534**	**$ 18,245**	**$ 32,430**	**$ 41,755**	**$ 45,768**
Total net debt applicable to the limit as a percentage of debt limit	**61.90%**	**71.18%**	**58.32%**	**51.70%**	**50.27%**

Sources:

Office of the State Comptroller

New York State Division of the Budget, Annual Information Statement

Notes:

(1) The increase in 2005 Other Lease Purchase and Contractual Financing Arrangements relates to the increase in authorization of lease purchases for the Thruway Authority and SUNY, resulting in an increase of the Legal Debt Margin for 2005.

(2) Amount of debt applicable to limitations is dependent upon authorization language.

(3) General Obligation Debt stated at par.

For additional information please see the notes to the financial statements and www.budget.ny.gov.

Balances have been restated for prior period adjustments, corrections and reclassifications.

Fiscal Year				
2008	2009	2010	2011	2012
$ 10,400	$ 10,400	$ 10,400	$ 10,400	$ 10,400
5,650	5,650	5,650	5,650	5,450
1,135	1,135	1,135	1,135	1,135
—	—	—	—	—
17,185	**17,185**	**17,185**	**17,185**	**16,985**
4,700	4,700	4,700	4,700	4,700
76,538	79,696	79,696	82,058	86,364
$ 98,423	**$ 101,581**	**$ 101,581**	**$ 103,943**	**$ 108,049**
$ 3,221	$ 3,323	$ 3,400	$ 3,525	$ 3,494
4,021	3,849	3,639	3,330	3,119
40,823	42,868	45,638	46,857	48,286
48,065	**50,040**	**52,677**	**53,712**	**54,899**
$ 50,358	**$ 51,541**	**$ 48,904**	**$ 50,231**	**$ 53,150**
48.84%	**49.26%**	**51.86%**	**51.67%**	**50.81%**

Ratios of General Obligation Debt Outstanding and Legal Debt Margin

LAST TEN FISCAL YEARS
(Amounts in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Obligation Debt Outstanding:					
General obligation bonds[1]	**$ 3,996**	**$ 3,804**	**$ 3,652**	**$ 3,470**	**$ 3,302**
Per capita	**$ 209**	**$ 198**	**$ 190**	**$ 180**	**$ 171**
Legal debt limit	$ 14,535	$ 14,535	$ 14,535	$ 17,435[2]	$ 17,435
Total net debt applicable to debt limit	3,996	3,804	3,652	3,470	3,302
Legal debt margin	**$ 10,539**	**$ 10,731**	**$ 10,883**	**$ 13,965**	**$ 14,133**
Legal debt margin as a percentage of the debt limit	**72.51%**	**73.83%**	**74.87%**	**80.10%**	**81.06%**

Sources:

Office of the State Comptroller

New York State Division of the Budget, Annual Information Statement

Notes:

(1) General Obligation Debt stated at par.

(2) The increase in the Legal Debt Limit in 2006 is related to the increase in authorization of Transportation bonds.

For additional information please see the notes to the financial statements and www.budget.ny.gov.

Fiscal Year				
2008	2009	2010	2011	2012
$ 3,221	**$ 3,323**	**$ 3,400**	**$ 3,525**	**$ 3,494**
$ 167	**$ 170**	**$ 174**	**$ 182**	**$ 180**
$ 17,185	$ 17,185	$ 17,185	$ 17,185	$ 16,985
3,221	3,323	3,400	3,525	3,494
$ 13,964	**$ 13,862**	**$ 13,785**	**$ 13,660**	**$ 13,491**
81.26%	**80.66%**	**80.22%**	**79.49%**	**79.43%**

Pledged Revenue Coverage

TEN FISCAL YEARS STATED
(Cash basis of accounting)
(Amounts in thousands)

New York Local Government Assistance Corporation Bonds[a]

Fiscal Year	Sales Tax Revenues				
	Sales Tax Receipts	Operating Expenses	Net Available Revenues	Annual Debt Service	Debt Service Coverage
2003	$ 2,106,477	$ 4,000	$ 2,102,477	$ 183,498	11.46
2004	2,266,814	4,000	2,262,814	291,618	7.76
2005	2,492,739	6,000	2,486,739	306,023	8.13
2006	2,614,565	8,000	2,606,565	313,265	8.32
2007	2,511,476	6,000	2,505,476	418,770	5.98
2008	2,645,580	6,000	2,639,580	278,891	9.46
2009	2,566,957	10,963	2,555,994	360,771	7.08
2010	2,466,528	11,218	2,455,310	332,596	7.38
2011	2,697,197	6,634	2,690,563	339,865	7.92
2012	2,779,505	5,146	2,774,359	378,663	7.33

New York State Personal Income Tax Revenue Bonds[b]

Fiscal Year	Personal Income Tax Revenues				
	Revenue Bond Tax Fund Receipts	Operating Expenses	Net Available Revenues	Annual Debt Service	Debt Service Coverage
2004	$ 5,456,943	$ 884	$ 5,456,059	$ 257,967	21.15
2005	6,260,277	1,069	6,259,208	346,895	18.04
2006	6,899,930	2,058	6,897,872	515,627	13.38
2007	7,646,505	4,010	7,642,495	670,600	11.40
2008	9,140,962	7,292	9,133,670	873,653	10.45
2009	9,210,005	8,571	9,201,434	1,016,423	9.05
2010	8,687,845	9,136	8,678,709	1,411,673	6.15
2011	9,052,304	15,056	9,037,248	1,871,476	4.83
2012	9,691,957	13,086	9,678,871	2,141,504	4.52

Source: Office of the State Comptroller

Notes:

New York Local Government Assistance Corporation Bonds

(a) An amount equal to one-cent of the State's sales tax, less refunds to taxpayers, is to be deposited in the Local Government Assistance Tax Fund. The monies of such Fund are reserved for payment to the New York Local Assistance Corporation to enable it to meet principal and interest on its bonds. Monies in the Local Government Assistance Tax Fund in excess of debt service requirements and administrative expenses of the New York Local Government Assistance Corporation are required to be transferred to the General Fund.

New York State Personal Income Tax Revenue Bonds

(b) 25 percent of New York State Personal Income Tax Receipts less refunds to taxpayers, is to be deposited in the Revenue Bond Tax Fund. The monies of such fund are reserved for payment of debt service on Personal Income Tax Revenue Bonds, since the Enabling Act originally has been in effect, beginning the 2003-2004 fiscal year. Monies in the Revenue Bond Tax Fund in excess of debt service requirements are required to be transferred to the General Fund.

Ratios of General Bonded Debt Outstanding

LAST TEN FISCAL YEARS
(Amounts in millions)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds[1]	General Bonded Debt Outstanding: Per Capita[2]
2002-2003	$ 3,998	$ 209
2003-2004	3,825	199
2004-2005	3,692	192
2005-2006	3,511	182
2006-2007	3,344	173
2007-2008	3,264	169
2008-2009	3,367	173
2009-2010	3,461	177
2010-2011	3,625	187
2011-2012	3,611	186

Source: Office of the State Comptroller

Notes:

(1) General Obligation Debt figures include par value, premiums and discounts.

(2) See Exhibit: Demographic and Economic Statistics I for population data.

Government Employees by Level of Government

NEW YORK STATE 2001–2010
(Annual averages in thousands)

Fiscal Years	Employees: State[1]	Employees: Local[2]
2001	263.3	1,064.2
2002	267.8	1,086.6
2003	263.7	1,088.9
2004	261.8	1,091.6
2005	261.4	1,098.3
2006	259.1	1,101.3
2007	261.7	1,115.7
2008	262.7	1,126.1
2009	261.2	1,135.8
2010	260.8	1,117.9

Sources:

New York State Department of Labor

2008 New York State Statistical Yearbook, Rockefeller Institute of Government

Notes:

(1) For State employees annual average of the number of checks issued as of the pay period including the 12th of the month, regardless of funding source, to individuals in: State departments and agencies; Legislature; Judiciary; public authorities; and miscellaneous boards and commissions.

(2) Local government employees includes full- and part-time employees of counties, cities, villages and towns, engaged in educational or noneducational functions.

Demographic and Economic Statistics I

LAST TEN CALENDAR YEARS

Year	Population (1000s)	Personal Income (1000s)	Per Capita Personal Income	Unemployment Rate
2002	19,158	$677,604,314	$ 35,369	5.8%
2003	19,190	691,123,302	36,015	6.0%
2004	19,227	737,755,932	38,371	5.5%
2005	19,255	805,717,000	41,845	4.8%
2006	19,306	818,426,220	42,392	4.4%
2007	19,298	914,431,670	47,385	4.2%
2008	19,490	937,009,617	48,076	4.9%
2009	19,541	917,610,217	46,958	8.1%
2010	19,378	946,053,718	48,821	8.3%
2011	19,465	983,867,508	50,545	7.8%

Sources:

U.S. Census Bureau

Bureau of Economic Analysis

U.S. Department of Commerce

New York State Department of Labor

Demographic and Economic Statistics II

LAST TEN CALENDAR YEARS

	Population			
Year	U.S. Population (1000s)	Change from Prior Period	State of New York (1000s)	Change from Prior Period
2002	287,985	1.01%	19,158	0.77%
2003	290,850	0.99%	19,190	0.17%
2004	293,657	0.97%	19,227	0.19%
2005	296,410	0.94%	19,255	0.15%
2006	299,398	1.01%	19,306	0.26%
2007	301,621	0.74%	19,298	–0.04%
2008	304,060	0.81%	19,490	0.99%
2009	307,007	0.97%	19,541	0.26%
2010	308,746	0.57%	19,378	–0.83%
2011	311,592	0.92%	19,465	0.45%

Sources:

U.S. Census Bureau

Bureau of Economic Analysis

New York State Department of Labor

New York State Department of Motor Vehicles

New York State Education Department

Per Capita Personal Income			Civilian Labor Force				
U.S.	State of New York	New York as a Percentage of U.S.	Employed (1000s)	Unemployed (1000s)	Unemployment Rate	Public School Enrollment	Motor Vehicles Registered
$ 30,810	$ 35,369	114.8%	8,712	542	5.8%	2,832,217	10,445,409
31,484	36,015	114.4%	8,675	556	6.0%	2,875,088	10,414,200
33,050	38,371	116.1%	8,741	506	5.5%	2,857,079	10,449,816
34,586	41,845	121.0%	8,902	444	4.8%	2,864,037	10,476,513
36,276	42,392	116.9%	9,033	412	4.4%	2,776,870	10,551,341
38,611	47,385	122.7%	9,046	395	4.2%	2,715,068	10,664,811
39,751	48,076	120.9%	9,147	472	4.9%	2,684,024	10,697,644
39,138	46,958	120.0%	8,888	786	8.1%	2,654,700	10,699,846
40,584	48,821	120.3%	8,816	800	8.3%	2,647,840	10,749,952
41,663	50,545	121.3%	8,736	735	7.8%	2,635,066	10,727,796

Employment by Industry

TEN YEARS STATED

	2001	2002	2003	2004	2005
Total employment	**10,491,096**	**10,415,119**	**10,459,857**	**10,610,532**	**10,763,487**
Wage and salary employment	8,906,825	8,769,557	8,727,501	8,775,838	8,840,376
Proprietors employment	1,584,271	1,645,562	1,732,356	1,834,694	1,923,111
Farm proprietors employment	38,459	38,549	37,633	36,481	36,475
Nonfarm proprietors employment	1,545,812	1,607,013	1,694,723	1,798,213	1,886,636
Farm employment	**59,730**	**59,916**	**59,641**	**54,827**	**54,243**
Nonfarm employment	**10,431,366**	**10,355,203**	**10,400,216**	**10,555,705**	**10,709,244**
Private employment	**8,946,637**	**8,849,377**	**8,897,484**	**9,056,795**	**9,208,323**
Forestry, fishing, related activities, and other	23,689	24,455	22,684	23,280	23,271
Mining	9,876	8,733	10,022	9,516	9,866
Utilities	43,796	43,301	42,213	40,623	40,651
Construction	462,822	449,250	456,704	467,615	483,981
Manufacturing	734,909	680,268	642,125	626,157	612,145
Wholesale trade	399,253	387,074	384,490	389,951	391,525
Retail trade	1,026,415	1,022,037	1,025,356	1,039,785	1,058,146
Transportation and warehousing	324,632	311,291	309,902	317,870	327,069
Information	358,650	325,881	308,447	305,139	310,275
Finance and insurance	726,286	698,378	688,840	696,548	711,845
Real estate, rental and leasing	358,530	361,088	380,434	407,062	436,758
Professional and technical services	798,205	782,981	794,919	823,816	835,753
Management of companies and enterprises	122,454	127,630	126,239	125,968	130,060
Administrative and waste services	523,064	511,429	513,021	529,832	537,833
Educational services	339,070	350,635	363,734	376,935	388,285
Health care and social assistance	1,322,903	1,358,742	1,400,504	1,421,958	1,440,752
Arts, entertainment, and recreation	258,204	268,588	270,871	283,129	287,510
Accommodation and food services	554,968	558,728	572,337	583,087	591,426
Other services, except public administration	558,911	578,888	584,642	588,524	591,172
Government and government enterprises	**1,484,729**	**1,505,826**	**1,502,732**	**1,498,910**	**1,500,921**
Federal, civilian	134,377	133,580	135,408	130,490	128,925
Military	57,973	57,603	57,140	56,362	56,257
State government	251,702	253,528	250,308	249,034	247,293
Local government	1,040,677	1,061,115	1,059,876	1,063,024	1,068,446

Source: Regional Economic Information System, Bureau of Economic Analysis

Note: Full- and Part-Time Employment data shown.

2006	2007	2008	2009	2010
10,952,095	**11,039,874**	**11,289,001**	**10,929,753**	**10,979,188**
8,925,539	9,047,065	9,004,901	8,738,853	8,738,192
2,026,556	1,992,809	2,284,100	2,190,900	2,240,996
35,724	34,782	32,683	32,491	32,228
1,990,832	1,958,027	2,251,417	2,158,409	2,208,768
52,102	**50,784**	**51,724**	**51,219**	**50,628**
10,899,993	**10,989,090**	**11,237,277**	**10,878,534**	**10,928,560**
9,399,820	**9,478,570**	**9,708,898**	**9,352,706**	**9,410,362**
23,707	23,744	14,341	14,274	13,574
9,959	10,675	14,286	16,157	13,474
40,506	40,119	40,355	41,026	39,746
508,530	527,531	533,932	481,531	460,003
598,993	584,955	565,032	501,685	488,760
394,772	397,410	390,550	368,081	362,207
1,065,731	1,073,776	1,066,636	1,017,181	1,037,002
337,573	334,622	346,712	324,256	319,556
312,293	302,404	301,954	292,108	288,921
733,599	731,480	789,048	785,910	813,265
466,261	470,170	565,276	523,673	525,680
866,101	869,279	900,523	857,138	836,836
135,334	137,157	139,224	139,298	145,749
539,449	559,928	567,179	526,294	547,991
401,273	405,562	412,051	414,554	426,934
1,466,699	1,483,772	1,500,582	1,507,891	1,532,549
295,198	299,829	320,716	316,950	313,381
598,360	616,162	628,012	628,254	652,705
605,482	609,995	612,489	596,445	592,029
1,500,173	**1,510,520**	**1,528,379**	**1,525,828**	**1,518,198**
127,015	127,046	127,037	127,052	132,803
57,590	57,087	59,940	60,058	60,269
246,101	247,038	250,133	246,748	242,306
1,069,467	1,079,349	1,091,269	1,091,970	1,082,820

Select State Agency Employment

MARCH 2012

Agency	Actual March 2011	Estimated March 2012
Major Agencies:		
State University	41,053	42,206
Corrections and Community Supervision	29,530	29,773
People with Developmental Disabilities	21,221	20,718
Mental Health	15,727	15,327
Transportation	9,130	8,583
Health	4,995	5,000
State Police	5,435	5,220
Taxation and Finance	5,125	4,897
Children and Family Services	3,352	3,143
Environmental Conservation	3,003	2,983
Education	2,735	2,672
Temporary and Disability Assistance	2,159	2,225
Subtotal	**143,465**	**142,747**
Other Major Agencies	12,772	12,120
Minor Agencies	10,603	9,207
Other	21,671	21,723
GRAND TOTAL	**188,511**	**185,797**

Source: New York State Division of Budget 2012-13 Executive Budget Five-Year Financial Plan (www.budget.ny.gov)

Note: Does not include: Legislature; Judiciary; public authorities; and miscellaneous boards and commissions.

Operating Indicators

LAST TEN YEARS

	2003	2004	2005	2006	2007
State Police Protection:					
Number of Troops	11	11	11	11	11
Number of Employees	5,453	5,608	5,608	5,977	5,927
State University of New York:					
Campuses	64	64	64	64	64
Students	402,000	410,700	410,700	412,000	417,000
Recreation:					
Parks & Historic Sites	202	203	203	207	211
Expected Visitors	60 million	60 million	60 million	60 million	60 million

Sources:

New York State Executive Budget Agency Presentations

State University of New York

Office of Parks, Recreation and Historical Preservation

2008	2009	2010	2011	2012
11	11	11	11	11
5,989	5,989	5,530	5,309	5,220
64	64	64	64	64
427,000	440,000	477,000	468,000	468,000
213	213	214	213	213
55 million	55 million	55 million	55 million	57 million

Capital Asset Balances by Function

LAST TEN FISCAL YEARS

(Amounts in millions)

Function	Fiscal Year 2003	2004	2005	2006	2007
Land and Land Improvements:					
General government	$ 126	$ 128	$ 129	$ 127	$ 96
Public safety	174	184	195	204	226
Public welfare	22	24	24	24	24
Support/regulate business	6	6	6	6	6
Environment/recreation	914	991	1,019	1,101	1,155
Education	1	1	1	1	1
Public health	163	170	183	187	193
Transportation	2,044	2,080	2,146	2,201	2,252
Depreciation (land improvements)	(229)	(242)	(256)	(281)	(291)
Total, net of depreciation	**3,221**	**3,342**	**3,447**	**3,570**	**3,662**
Land Preparation:					
Transportation (roads)	**2,667**	**2,734**	**2,786**	**2,856**	**2,981**
Buildings:					
General government	1,931	1,991	2,109	2,168	1,939
Public safety	2,507	2,728	2,795	2,937	3,028
Public welfare	176	178	165	171	171
Support/regulate business	33	33	33	33	34
Environment/recreation	273	279	309	334	356
Education	77	81	89	90	97
Public health	2,964	2,957	2,600	2,682	2,792
Transportation	236	251	307	315	327
Depreciation	(3,699)	(3,941)	(4,095)	(4,332)	(4,557)
Total, net of depreciation	**4,498**	**4,557**	**4,312**	**4,398**	**4,187**
Equipment:					
General government	194	175	157	139	117
Public safety	84	84	81	83	83
Public welfare	42	41	14	14	18
Support/regulate business	8	8	7	4	4
Environment/recreation	33	33	33	36	38
Education	11	10	9	5	5
Public health	62	63	58	61	64
Transportation	208	246	258	266	282
Depreciation	(371)	(386)	(365)	(364)	(392)
Total, net of depreciation	**271**	**274**	**252**	**244**	**219**
Construction in Progress:					
Buildings	892	548	687	455	331
Transportation (roads and bridges)	1,927	2,241	3,103	3,122	3,038
Computer software	—	—	—	—	—
Total	**2,819**	**2,789**	**3,790**	**3,577**	**3,369**
Infrastructure:(1)					
General government	—	—	—	—	5
Public safety	—	—	6	28	55
Public welfare	—	—	—	—	—
Environment/recreation	12	18	20	20	29
Public health	—	4	24	15	16
Depreciation	—	(1)	(2)	(3)	(6)
Total, net of depreciation	**12**	**21**	**48**	**60**	**99**
Infrastructure:(2)					
Transportation	**62,749**	**62,934**	**63,056**	**63,303**	**63,803**
Intangible Assets:					
Easements	—	—	—	—	—
Computer software	—	—	—	—	—
Amortization	—	—	—	—	—
Total, net of amortization	**—**	**—**	**—**	**—**	**—**
Business-Type Activities, Net	**5,695**	**6,201**	**6,499**	**6,927**	**7,296**

Source: Office of the State Comptroller

Notes:

(1) Depreciable

(2) Roads and Bridges, non-depreciable

Figures restated for prior period adjustments.

Fiscal Year				
2008	2009	2010	2011	2012
$ 95	$ 125	$ 125	$ 125	$ 125
247	257	271	282	289
24	27	32	30	36
6	6	6	6	6
1,241	1,360	1,211	1,240	1,268
2	3	3	3	3
196	208	218	225	225
2,262	2,306	2,349	2,400	2,453
(300)	(314)	(332)	(348)	(369)
3,773	**3,978**	**3,883**	**3,963**	**4,036**
3,083	**3,191**	**3,271**	**3,314**	**3,430**
1,954	2,192	2,222	2,254	2,290
3,146	3,344	3,476	3,542	3,683
174	180	186	189	218
34	34	34	36	36
371	399	451	453	459
106	107	111	120	123
2,910	3,073	3,146	3,247	3,348
289	299	302	303	315
(4,776)	(5,033)	(5,293)	(5,581)	(5,876)
4,208	**4,595**	**4,635**	**4,563**	**4,596**
125	162	161	157	152
90	90	92	98	97
19	19	21	21	21
4	5	6	6	6
41	51	51	51	53
5	5	5	5	5
64	57	57	58	58
280	278	324	347	363
(403)	(431)	(460)	(489)	(498)
225	**236**	**257**	**254**	**257**
510	444	499	477	537
3,079	3,248	3,405	4,271	4,356
—	—	—	63	113
3,589	**3,692**	**3,904**	**4,811**	**5,006**
11	11	11	11	11
62	91	102	128	140
—	—	13	18	19
29	33	33	31	34
25	42	46	46	46
(11)	(17)	(24)	(33)	(42)
116	**160**	**181**	**201**	**208**
64,200	**64,567**	**65,141**	**65,451**	**65,926**
—	—	163	193	194
—	—	—	32	64
—	—	—	(6)	(21)
—	**—**	**163**	**219**	**237**
7,773	**8,445**	**9,206**	**10,374**	**11,746**

Membership by Type of Benefit Plan

AS OF MARCH 31, 2012

Retirement System	Retirement Plan Membership		
	Tier 1	Tier 2	Tier 3, 4, 5 & 6
New York State and Local Employees Retirement System	7,551	9,222	605,334
New York State and Local Police and Fire Retirement System	230	31,830	2,057

Source: New York State and Local Retirement System

Note: Please see www.osc.state.ny.us/retire/publications/index.htm for more information.

Principal Participating Employers

TEN MOST RECENT FISCAL YEARS

Participating Government	2003			2004			2005		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State	221,807	1	34.09%	213,539	1	33.28%	214,937	1	33.18%
Counties	125,220	2	19.25%	123,328	3	19.22%	123,839	3	19.12%
Schools	121,668	3	18.70%	123,616	2	19.26%	126,068	2	19.46%
Miscellaneous	88,352	4	13.58%	88,249	4	13.75%	89,285	4	13.79%
Towns	43,628	5	6.71%	44,072	5	6.87%	44,778	5	6.91%
Cities	32,178	6	4.95%	31,307	6	4.88%	31,092	6	4.80%
Villages	17,690	7	2.72%	17,610	7	2.74%	17,759	7	2.74%
Total	**650,543**		**100.00%**	**641,721**		**100.00%**	**647,758**		**100.00%**

Participating Government	2010			2011			2012		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State	222,555	1	32.77%	218,868	1	32.53%	208,822	1	31.82%
Counties	121,282	3	17.86%	119,610	3	17.78%	116,423	3	17.74%
Schools	136,203	2	20.05%	135,358	2	20.12%	133,442	2	20.34%
Miscellaneous	100,684	4	14.82%	100,785	4	14.98%	99,837	4	15.21%
Towns	48,610	5	7.16%	48,621	5	7.23%	48,822	5	7.44%
Cities	31,186	6	4.59%	30,804	6	4.58%	30,394	6	4.63%
Villages	18,697	7	2.75%	18,677	7	2.78%	18,484	7	2.82%
Total	**679,217**		**100.00%**	**672,723**		**100.00%**	**656,224**		**100.00%**

Source: New York State and Local Retirement System

Notes:

Total includes inactive members identified with their last employer as active members.

Please see www.osc.state.ny.us/retire/publications/index.htm for more information.

2006			2007			2008			2009		
Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
216,996	1	33.17%	221,515	1	33.43%	226,439	1	33.43%	225,963	1	33.23%
121,322	3	18.54%	121,817	3	18.38%	122,982	3	18.16%	122,356	3	18.00%
126,925	2	19.40%	128,518	2	19.40%	132,132	2	19.51%	133,876	2	19.69%
93,327	4	14.26%	95,262	4	14.38%	98,283	4	14.51%	100,052	4	14.72%
45,654	5	7.13%	46,284	5	6.98%	47,567	5	7.02%	47,743	5	7.02%
31,038	6	4.74%	31,049	6	4.69%	31,406	6	4.64%	31,326	6	4.61%
18,029	7	2.76%	18,188	7	2.74%	18,512	7	2.73%	18,592	7	2.73%
653,291		**100.00%**	**662,633**		**100.00%**	**677,321**		**100.00%**	**679,908**		**100.00%**

STATE OF NEW YORK
EXCELSIOR
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STATE OF NEW YORK
Office of the State Comptroller

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Comptroller

Pete Grannis
First Deputy Comptroller

Shawn Thompson
Chief of Staff

Margaret Becker
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Contracts and Expenditures

Kevin Belden
Deputy Comptroller
Chief Information Officer

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Deputy Comptroller
Office of the State Deputy Comptroller for NYC

Cathy Calhoun
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Joan Sullivan
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Office of Operations

Marjorie Tsang
Acting Chief Investment Officer
Pension Investment and Cash Management

Robert Ward
Deputy Comptroller
Budget and Policy Analysis

Division of Payroll, Accounting and Revenue Services

Bureau of Financial Reporting and Oil Spill Remediation

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Suzette Barsoum Baker, CPA, CGFM

Assistant Director:
Timothy Reilly, Esq., CPA

Assistant Chief Accountant:
Deidre Clark

Manager:
Michael Mezz, CGFM

Supervising Accountant:
Maureen Shaw

Associate Accountants:
Donna Greenberg, CPA, CGFM
Jennifer Hallanan, CGFM
Maria Moran, CPA
Sandra Trzcinski, CGAP, APM

Senior Accountants:
Renee Bult
Bret Smith
Elizabeth Sweeney

Payroll Analyst 2:
Rowena Fuller

Student Intern:
Brianna Adams

Bureau of State Accounting Operations

Director:
Melody Goetz

Assistant Director:
Debbie Hilson

Managers:
Peter Clark
Dave Krein
William McCormick
Carrie Piser